



To



1. All Vice Chancellors of Medical Universities in Punjab
2. All Principals of Medical Colleges in Punjab
3. All Heads of Autonomous / Specialized Health Institutions in Punjab
4. All Medical Superintendents of Teaching & Tertiary care Hospitals in Punjab

Subject

GUIDELINES FOR LOCAL PURCHASE OF MEDICINES / SURGICAL DISPOSABLES ETC. ON DAY TO DAY BASIS THROUGH ONLINE PITB PORTAL IN TEACHING / TERTIARY CARE HOSPITALS/MEDICAL INSTITUTIONS IN PUNJAB

In order to make the process of Local Purchase of medicines, surgical disposables etc. more fair, transparent, efficient, competitive & cost effective at the public sector tertiarycare / specialized hospitals in Punjab and in supersession of this department's earlier letter no. 95/SM&IPU dated 02nd February, 2018, "Guidelines for Local Purchase of medicines and surgical disposables etc. on day-to-day basis through online PITB Portal in Teaching/ Tertiarycare Hospitals/ Medical Institutions of Punjab" are therefore, notified with regard to the Local Purchase of Medicines & Surgical Disposables etc. on Day-to-Day (LPDD) basis:

1. Objective of Local Purchase:

Local Purchase is an alternative method of procurement of medicines and surgical disposables etc. on the prescription of authorized medical practitioner of the hospital to meet the immediate requirement of Indoor & Emergency patients during the gap period due to non-availability of medicines / surgical disposables etc. being procured through the bulk procurement / re-tendering process.

2. Mode of Local Purchase:

For the purpose of cost effectiveness and as per the guiding principles of the Punjab Procurement Rules (PPR) 2014, the local purchase of medicines and surgical disposables etc. on day-to-day basis shall be processed through the Punjab Information Technology Board's (PITB's) Online LPDD Portal from at least five or more registered LPDD vendors.

3. Registration of Local Purchase on Day-to-Day Vendors:

Following shall be the procedure for registration of vendors for Local Purchase on day-to-day (LPDD) basis:

(a) Procedure for Registration of LPDD Vendors.

- i. First newspaper advertisement of a financial year for walk-in registration of LPDD vendors shall be published in the 1st week of July by the hospital. Reminder advertisements for walk-in registration of LPDD Vendors shall be published after every four months for enhancing the pool of registered LPDD vendors. The registration of LPDD vendors shall, therefore, be a continuous process throughout the financial year to maximize competition.
- ii. Registration of LPDD vendors shall be for a period, which shall end on 30th September each year. However, the registration of existing LPDD vendors shall be renewed, upon receipt of their application in writing and subject to fulfillment of prevailing eligibility criteria, terms & conditions and satisfactory past performance.

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- iii. The registration renewal process of existing LPDD vendors will start from 1st July each year and will preferably be completed well before 30th September.
- iv. Evaluation of the applications for new registration or renewal of existing registration will be done, as per the eligibility criteria for registration as contained in Annexure-A (the hospital may, however, add (not delete) any other parameter in the criteria subject to the condition that any additional parameter may not reduce the competition). Conditional application, if received, shall be rejected.
- v. Registration of the applicant(s), fulfilling the advertised eligibility criteria, will be done by the hospitals within two weeks. Upon registration, details of the LPDD vendor will be forwarded to the Punjab Information Technology Board (PITB) for issuance of Login / Password, within seven days, enabling the registered LPDD vendor to participate in subsequent online biddings.
- vi. The registered LPDD vendors shall have to comply with the minimum terms and conditions for supply of medicines and surgical disposables etc. as contained in Annex-B.
- vii. Registration of an existing LPDD vendor shall be valid upto the next coming 30th September irrespective of the date of his registration. If not renewed by the hospital earlier, the registration of the LPDD vendor shall stand terminated from 2359 hrs on 30th September.
- viii. In case of non-availability of required number of registered LPDD vendors, the Local Purchase Section of the hospital shall refer the matter to the "Local Purchase Vigilance Committee" (LPVC) of the hospital for decision as per merit. The LPVC may relax the condition of minimum number after getting report from the Area Drug Inspector / Secretary, District Quality Control Board within one week, verifying the availability of licensed pharmacies in the prescribed 10 km radius.
- ix. Model Pharmacies of respective hospitals (wherever established) shall enjoy the status of registered LPDD vendor, and shall participate in the online bidding process. If no local pharmacy participates for LPDD registration then the "Local Purchase Vigilance Committee" shall declare the Model Pharmacy of the hospital as the sole registered LPDD vendor, subject to fulfillment of all other conditions, till any other applicant pharmacy is registered by the hospital as the LPDD vendor. Model pharmacy of a nearby hospital may also participate in Local Purchase on Day-to-Day basis of another hospital.

(b) LPDD Vendor Registration Committee (LPDDVRC)

Each hospital shall notify a "LPDD Vendor Registration Committee" with the following minimum composition for registration of vendors for Local Purchase on Day to Day (LPDD) basis:

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|--|----------|
| i. Medical Superintendent | Convener |
| ii. Chief Pharmacist / Deputy Drug Controller (DDC) | Member |
| iii. Director Finance or his representative | Member |
| iv. Any other member co-opted with the permission of the Head of the Institution | |

Terms of Reference of LPDD Vendors Registration Committee:

- a. To receive applications from the licensed pharmacies for registration as LPDD vendors;
- b. To evaluate the received applications against the specified criteria;


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- c. To inspect pharmacy premises of the applicant(s) to verify the authenticity of information provided and good storage practices;
 - d. To approve the vendors, fulfilling the specified criteria, for registration as LPDD vendors of the hospital;
 - e. To decide the applications for registration within two weeks;
 - f. To authorize the Medical Superintendent to communicate the details of approved cases i.e. registered LPDD vendors to PITB for issuance of login & password. Every new registration of a LPDD vendor shall be duly notified by the Medical Superintendent of the hospital, and a copy of such notification shall also be shared with other registered LPDD vendors for information and the SHC&MED for record.
4. **Category of medicines / surgical disposables etc. to be procured through Local Purchase on Day to Day (LPDD) basis:**

Following categories of medicines / surgical disposables etc. may be procured through Local Purchase on Day-to-Day (LPDD) basis:

- i. Medicines / Surgical disposables etc. required on emergency basis for lifesaving, and those which are neither available in hospital stores nor can be managed through quotation / bulk purchase;
- ii. Medicines / Surgical disposables etc. whose DTL's Test/Analysis reports are expected to be available within two weeks as per the prescribed time frame for provision of DTL's Test/Analysis report by the Drug Testing Laboratory;
- iii. New or rare item with proper justification prescribed by the Consultant, duly vetted by the Head of the Unit / Ward, depending on the severity of the disease and condition of the patient.

5. **Procedure for local purchase of medicines & surgical disposables etc. on LPDD basis:**

(a) **Method of Demand Generation**

- i. LPDD request on prescription of the Consultant / Head of the Unit / Ward on the patients' file / chart.
- ii. Entry of items by the staff nurse in the LPDD Indent Book of the Ward duly signed by the Authorized Medical Attendant / Senior Registrar.
- iii. Verification of the indent by the Ward Pharmacist / person authorized by the Medical Superintendent with reference to 'Local Purchase Formulary' of the hospital.
- iv. Checking the availability of items in Main Store (Medicines / Surgical) / LP Bank, and writing comments regarding the non-availability of item on LPDD indent in the stores by the Store Pharmacist.
- v. Rationalization of the LPDD demand by the In-Charge of Main Store.
- vi. In case of non-availability of items in the Main Store or LP Bank, receipt of LPDD indent in the LP Section of the hospital.
- vii. Availability of funds for expenditure as per allocated budget for Local Purchase to be informed by the Budget and Accounts Officer / Deputy Director / Director Finance.
- viii. Approval of LPDD indent by the Medical Superintendent or an officer duly authorized by the Medical Superintendent for the said purpose.
- ix. Generic-wise uploading of the LPDD indent in the PITB's Online LPDD Portal by the LP Section of the hospital. (Manual processing of LP is not advised).

(b) Receipt of Bids, Purchase Order generation & Stock Receipt from the registered LPDD vendors:

- i. Receipt of bids / rates from the registered LPDD vendors within **180 minutes**, of the invitation for bids, as per brands already approved by the P&TC of the hospital.
- ii. Financial comparison of the prices offered (inclusive of all applicable taxes and duties) by the registered LPDD vendors on PITB's Online LPDD Portal will be prepared on the basis of quoted prices. Such quoted prices must be less than the MRP and such discount shall not be less than the percentage mentioned at clause xii of Annexure -B.
- iii. The registered LPDD vendor offering the lowest price (inclusive of all applicable taxes and duties), as per detail mentioned at Sr. No. 5 (b) (ii) above, shall be declared as the successful bidder.
- iv. Identification of successful LPDD vendor through the PITB's Online LPDD Portal and immediate intimation to the hospital concerned along with financial comparative statement of the bidding process. The comparative sheet of quoted rates with names of the items shall also be shared with the competing LPDD vendors (who participate in the online bidding process) within 10 minutes of the end of the bid submission time.
- v. PITB's Online LPDD Portal shall automatically generate and share the Purchase Order of the LPDD indent with the 1st lowest LPDD vendor within 20 minutes of the end of the bid submission time.
- vi. Receipt of LPDD indent (items) in the LP Section from the successful LPDD vendor shall be required within 300 minutes of the end of the bid submission time along with computerized LPDD indent bill properly mentioning the brand, batch & expiry date with warranty of the item(s) supplied in the LPDD indent.
- vii. The items received from the LPDD vendor under the LPDD indent shall be checked as per the bid specifications for brand, batch, expiry date and quantity.
- viii. Data entry of received items shall be done on the PITB's Online LPDD Portal by the LP Section of the hospital. The items received under the LPDD indent must have sufficient shelf life (i.e. at least more than three months).
- ix. Defacing of the items received under the LPDD indent shall be done by the LP Section of the hospital.
- x. In case of late delivery of items under the LPDD indent, proper entry shall be made on the PITB's Online LPDD Portal, which shall calculate the Late Deliveries Penalty @ **1% of the quoted bid price per hour per item** for a maximum of 2 hours. In case of failure to supply the items of LPDD indent by the successful LPDD vendor even after two hours, the supply order shall be cancelled and placed to the 2nd lowest LPDD vendor with applicable risk purchase to be recovered from the 1st lowest LPDD vendor. The 1st lowest LPDD vendor will be bound to pay the difference in price of 1st lowest and 2nd lowest bid to the hospital within one week failing which his registration as LPDD vendor shall be suspended for one week. If the difference in price is still not paid, even after one week, the registration of such non-compliant LPDD vendor shall be terminated by the hospital, and such LPDD vendor shall not be allowed to submit any bid on the PITB's Online LPDD Portal for any other hospital and his pending liability of Late Delivery Penalty shall be recovered from his outstanding payments.
- xi. Medicines & surgical disposables etc. purchased on LPDD basis shall be exempted from DTL testing as these will be procured from a licensed pharmacy. However, the


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Medical Superintendent of the hospital may send random samples for testing / analysis to the Drug Testing Laboratory on periodic basis to ensure the satisfactory quality of medicines supplied through Local Purchase on Day-to-Day basis.

(c) Distribution of Stock received from the LPDD Vendor:

- i. The wards shall be intimated about receipt of the LPDD indent items within 60 minutes by the LP Section.
- ii. Receipt of LPDD indent items by the authorized person of the ward.
- iii. Maintenance of record of receipt (time, quantity, brand, expiry date etc.), disbursement and any unconsumed LPDD indent items by the LP Section of the hospital
- iv. Staff nurse to receive the LPDD indent items in the ward, and enter the same in the "LPDD Stock Register" maintained in the respective ward.

(d) Return of Un-consumed Stock to the LP Bank:

- i. Hospital will ensure establishment of a LP Bank to receive the unconsumed Local Purchase on Day-to-Day basis (LPDD) and Limited Purchase through Quotations (LPQ) indent items. The unconsumed LPDD and LPQ indent items shall be returned by the wards to the LP Section, which shall enter the same on the PITB's LPDD and Limited Purchase Portals respectively, which will be displayed as available balance with the hospital and deposited in the hospital's LP Bank.
- ii. The LP Section of the hospital shall always check this 'LP Bank' and the 'LP Return Stock Register' before placing the next order for LPDD or LPQ on the PITB's LPDD and Limited Purchase Online Portals. In case, any medicine/ surgical disposable is available in the LP Bank of the hospital, it shall be utilized first.
- iii. Staff nurse of the ward shall return the unconsumed LPDD or LPQ indent items to the LP Section of the hospital within 2 working days for depositing the same in the LP Bank.
- iv. It shall be mandatory that a "LP Return Stock Register" is maintained both by the wards & the LP Section of the hospital duly signed & stamped (with name) by the concerned personnel.
- v. The items available in the LP Bank shall be consumed on First Expiry First Out (FEFO) basis to be ensured by the Officer In-Charge of LP Section and the LP Bank.

6. Responsibility of the P&T Committee:

The Pharmacy & Therapeutic Committee (P&TC) of the hospital shall be responsible for the following assignments:

- i. Preparation of Local Purchase Formulary of the hospital keeping in view the **alternative generics** of same therapeutic effect. In case of non-availability of same generic, alternative medicine of same therapeutic effect may be provided to the patient from bulk purchase of the hospital. Medical Superintendent shall ensure that approved alternative generics list is available and properly displayed (both physically and electronically) on:
 - a. Nursing Counters of each ward for ready reference and shall be consulted before writing the LPDD indent.
 - b. Accident & Emergency Department (with duty AMS/DMS/Nurse Incharge and Senior Registrars of the Units on Emergency Duty).


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- c. Local Purchase Section of the hospital for counter checking of LPDD and LPQ indent.
- d. Main & Sub Stores of medicines and surgical disposables etc. for consulting before mentioning non-availability of any item.
- ii. Prepare a list of five (05) or more brands, registered with DRAP, for each Generic along with their Maximum Retail Price (MRP) (with the exception of less market brands available / registered with DRAP) without any brand preference, biasness or favor. The list of approved brands shall be shared with the PITB for inclusion in its Online LPDD and LPQ Portals and shall be updated as and if required.
- iii. Prices of such surgical disposables etc., which have no MRP printed on them, shall be finalized by the P&TC on the basis market survey & price of same items quoted in different hospitals and this list shall be shared with PITB for inclusion in its Online LPDD and LPQ Portals.
- iv. Inclusion of brands shall be decided by the Committee on the basis of parameters including quality, common availability in the pharmacies, cost effectiveness and physician's experience or any other parameter as deemed necessary by the Committee.
- v. Inclusion of fancy / un-ethical marketing prescriptions in the list shall be discouraged.

7. **Constitution of Local Purchase Vigilance Committee (LPVC) and its responsibilities:**

(a) Composition of LPVC

For the purpose of monitoring and evaluation, all the hospitals of SHC&ME Department shall notify 'Local Purchase Vigilance Committee' (LPVC) having the following composition:

- i. AMS (Stores or Pharmacy) Chairman
- ii. Chief Pharmacist / Senior Most Pharmacist (Secretary)
- iii. Nursing Superintendent / Senior Most Nurse
- iv. End User or his representative (Medicine / Surgical departments)
- v. Director Finance or his representative (not less than BS-16)
- vi. Pharmacist (Local Purchase Stores)
- vii. Any Co-opted member by the Medical Superintendent

Note: In case any of the above human resource is not available, the LPV Committee shall have representation of appropriate human resource as determined by the Medical Superintendent under intimation to Additional Secretary (Procurement), SHC&MED.

(b) Responsibilities of LPV Committee:

- i. Rationalize Local Purchase of medicines / surgical disposables etc. by analyzing trends of purchase of last year and give recommendations to the Medical Superintendent for inclusion of an item (generic) in the bulk purchase list.
- ii. Monitor and evaluate the implementation of alternative generics list prepared by P&TC.
- iii. Devise strategies to discourage fancy / unethical marketing prescriptions (these prescriptions shall be reported by LP Section to the LPVC on monthly basis).
- iv. Ensure checks to avoid brand switching by LPDD vendors in supplied medicines / surgical disposables etc.
- v. Liaise with other hospitals for arrangement of non-available 'Stock On Loan Basis' subject to the condition that lending or borrowing of the stock will not be for more

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than One Month Consumption of the borrowing hospital for one time, and proper record shall be maintained by both the hospitals in black & white in all such cases. For this purpose, the Officer In-Charge of Main Medicine / Surgical Stores shall intimate to the LPV Committee, in writing, about impending depletion of stock at least one month in advance.

- vi. Ensure that local purchase of all medicines / surgical disposables etc. shall comply with the Hospital Formulary, and report biannually to P&TC about new or rare items (out of Hospital Formulary) for its consideration / recommendation for inclusion in the Hospital Formulary or otherwise.
- vii. Decisions on matters referred by the LP Section in a fair and transparent manner.
- viii. Intimate Medical Superintendent/ Chief Executive Officer about continuously not-quoted items and give recommendations for purchase of non-quoted items.
- ix. Conduct surprise inspections of the pharmacy premises of registered LPDD vendors by the nominated member(s) of the LPVC to ensure that Good Storage Practices and LPDD guidelines are being met with, and submit its report to Medical Superintendent/ Chief Executive Officer for further necessary action.

8. Responsibilities of Medical Superintendent / Chief Executive Officer

(a) Measures to be taken to curtail LPDD:

Medical Superintendent / Chief Executive Officer shall be responsible for taking following actions to curtail the Local Purchase on Day-to-Day basis:

- i. Efficient processing of Bulk Purchase following the Annual Procurement Calendar (APC) 2022-23 and onwards vide letter No. SO (P-I) H/1-4/2021 (PPRA) dated 24th December, 2021.
- ii. Efficient retendering process for the procurement of "not-quoted items" as per Annual Procurement Calendar.
- iii. Efficient planning and measures to procure continuously "not-quoted items" over the year and determine the reasons of non-participation by bidders for such items.
- iv. While preparing the demand for Bulk Purchase for the next year, special consideration to be given to the usage and quantity of medicines / surgical disposables etc. purchased through LPDD and LPQ during the current and last one year, and the said quantity of medicines/ surgical disposables shall be duly considered for inclusion in the Bulk Purchase demand.
- v. In-time sampling & follow-up of tests / analysis by the DTL for early reporting on quality of samples.
- vi. In-time issuance of 2nd supply order and so on to ensure the availability of medicines / surgical disposables etc. on time.
- vii. Ensuring the prescription of alternative generics of the same therapeutic effects, as explained in this policy guidelines.
- viii. Arrangement of stocks of medicines and surgical disposables etc. from other government hospitals with sufficient stock on loan basis, if needed.

(b) General Responsibilities:

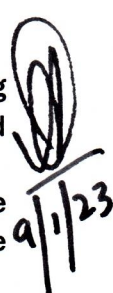
- i. Medical Superintendent/ Chief Executive Officer as head of the procuring agency shall be responsible to implement all parameters of "Guidelines for Local Purchase of medicines and surgical disposables etc. on day-to-day basis through online PITB Portal in Teaching/ Tertiarycare Hospitals/ Medical Institutions of Punjab" in letter and spirit.

- ii. Medical Superintendent / Chief Executive Officer shall make all such arrangements that he deems necessary for the transparent & effective implementation of "Guidelines for Local Purchase of medicines and surgical disposables etc. on day-to-day basis through online PITB Portal in Teaching/ Tertiarycare Hospitals/ Medical Institutions of Punjab" to ensure safety of patient's life in emergency and indoor.
- iii. Medical Superintendent/ Chief Executive Officer shall make arrangements for the internal audit of local purchase of medicines and surgical disposables etc., covering its supply, distribution to the wards / emergency and return of unconsumed LPDD & LPQ indent items to the LP Bank.
- iv. Medical Superintendent/ Chief Executive Officer shall be responsible for timely payment to the LPDD vendors as per terms and condition of their contracts after completion of all codal formalities. Medical Superintendent/ Chief Executive Officer in consultation with Director Finance / Budget and Accounts Officer (as the case may be) shall formulate SOPs regarding the process of clearance of bills to avoid unnecessary and repeated objection by the Finance Wing of the hospital to encourage more participation of the LPDD vendors and to remove the difficulties and hindrances generally faced by the LPDD vendors after supplies of items.
- v. Medical Superintendent/ Chief Executive Officer shall conduct a fortnightly meeting of the Local Purchase Vigilance Committee to review the overall implementation of the "Guidelines for Local Purchase of medicines and surgical disposables etc. on day-to-day basis through online PITB Portal in Teaching/ Tertiarycare Hospitals/ Medical Institutions of Punjab" and shall issue its minutes. A copy of the minutes shall be sent to the Additional Secretary (Procurement), SHC&MED for information.
- vi. Medical Superintendent/ Chief Executive Officer shall ensure monthly meetings of the Pharmacy & Therapeutic Committee (P&TC) for review of the Local Purchase process.
- vii. Medical Superintendent/ Chief Executive Officer shall provide sufficient Human Resource and required logistics to the LP Section, Registration Committees, LPVC, P&TC and for the establishment of LP Bank for smooth implementation of these Guidelines.

9. Responsibility of Punjab Information Technology Board (PITB):

- i. PITB shall modify the PITB's Online LPDD Portal to implement all parameters contained in these Guidelines for Local Purchase on Day-to-Day basis of medicines & surgical disposables etc.
- ii. PITB shall modify its existing Online LPDD Portal for enabling the receipt of LPDD indent items and to calculate & deduct the penalty on account of late delivery of LPDD indent items .
- iii. PITB shall also modify its existing Online LPDD Portal for the following alerts / modifications;
 - a. Online LPDD Portal shall generate alerts for the hospital's management regarding consumption of each 25%, 50%, 75%, 90% & 100% of the budget allocation for Local Purchase, which shall also be reflected on the dash board of SM&IPU of the SHC&MED.
 - b. Number of participant LPDD vendors against each order shall be provided to the hospital for information and facilitating necessary action against the non-participating registered LPDD vendors.
 - c. Financial comparative statement shall be provided to the hospital against each item immediately after the end of the bid submission time.

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- d. Details of medicines & surgical disposables etc. in the invoice generated by PITB shall also include the generic name along with the brand.
 - e. Easy uploading of details about delivery of medicines & surgical disposables on PITB's Online LPDD Portal. The Portal shall calculate the late delivery (LD) charges automatically. Final invoice of the LPDD vendors shall be generated after receipt/ data entry of LPDD items received and deduction of LD Charges/ other relevant deductions (if any).
 - f. Brand switching amongst the already approved brands by P&TC is allowed but once a LPDD vendor bids a brand it shall supply the item of the same brand. In case of change of brand (from P&TC approved brands only) at the time of supply, 10% penalty against that item in addition to already offered discount shall be imposed upon the LPDD vendor by the PITB's online system.
 - g. No brand other than the approved brands of P&TC shall be accepted and appropriate checks shall be put in place in the PITB's Online LPDD Portal accordingly.
 - h. In case of failure of supply / deficient supply by the 1st lowest LPDD vendor, Risk Purchase amount shall be deducted. The deduction mechanism shall be that at the time of receipt and entry of LPDD indent into the PITB's Online Portal, the items which are not supplied / less supplied by the 1st lowest LPDD vendor shall be ordered to the 2nd lowest LPDD vendor through the PITB's Online LPDD Portal to ensure supply of medicines to the patients. The difference between the 1st lowest and 2nd lowest LPDD vendors' cost, as per Comparative Statement, shall be deducted by the system automatically from the bills of the 1st lowest LPDD vendor and so on. The same shall be recovered by the hospital from the outstanding bills or from securities submitted by the defaulting LPDD vendor.
 - i. PITB's Online LPDD Portal shall have check on the expiry & batch details of medicines / surgical disposables etc. No item with less than three months' expiry period shall be entered on the PITB's Online LPDD Portal by the LPDD vendor.
 - j. In case of shortage of medicines / surgical disposables etc. in the market reflected in Annexure B (vi), PITB shall allow such relaxation in the Online LPDD Portal, and such feature shall only be activated upon written request by the Medical Superintendent / Chief Executive Officer of the hospital.
 - k. Automatic satisfactory supplies report generation, upon marking on a check list, with less human involvement.
- iv. Make the Online LPDD Portal smart and user friendly to ensure least data punching to avoid typographical errors. Necessary data validation checks like the received quantity of items may not exceed the ordered quantity etc.
- v. PITB's Online LPDD Portal shall provide a mechanism for clubbing of the same generics, dosage form and strengths to reflect optimal quantity, attract more discount and provide ease of work.
- vi. Present dashboard established for SM&IPU of SHC&ME Department for monitoring the local purchase process shall also be modified keeping in view the parameters for implementation and monitoring of the "Guidelines for Local Purchase of medicines and surgical disposables etc. on day-to-day basis through online PITB Portal in Teaching/ Tertiarycare Hospitals/ Medical Institutions of Punjab".
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- vii. PITB shall be responsible for the most optimal and smooth functioning of the Online LPDD Portal enabling timely completion of all activities required for cost-effective, efficient and transparent local purchase.
 - viii. In-time generation of system's maintenance / slow down etc. alerts so that the hospitals may timely take necessary steps. PITB shall ensure that preferably the system's (Online LPDD Portal's) maintenance shall be carried out during the non-active hours of the Local Purchase process.
 - ix. PITB will develop reporting mechanism to assist the LPVC to compile the list of frequently quoted/demanded items to be included in next Bulk Purchase process, through monthly, quarterly and annual report generation of all items (generic-wise procured).
 - x. PITB shall provide such data reports as are required by hospitals and SHC&MED to compare and evaluate the price trends in various hospitals to ensure most competitive rates and value for money.
10. The hospitals / institutes under the administrative control of Specialized Healthcare & Medical Education Department are hereby directed to implement the "Guidelines for Local Purchase of medicines and surgical disposables etc. on day-to-day basis through online PITB Portal in Teaching/ Tertiarycare Hospitals/ Medical Institutions of Punjab" in letter and spirit for local purchase of medicines and surgical disposable etc. on day-to-day basis, if necessary, as per the financial limit allocated by the Finance Department with effect from 15th February, 2023. The hospitals shall initiate the registration process for LPDD vendors from 15th January, 2023 for local purchase on day to day (LPDD) basis so that the registered LPDD vendors are available well before 10th February, 2023. These registrations of LPDD vendors shall be done up to 30th September, 2023. The next cycle of registration will be carried out as already spelled out in detail in these Guidelines. The existing LPDD vendors of the hospitals registered for FY 2022-23 may continue their bidding for local purchase of medicines and surgical disposables etc. as per instant Guidelines till the completion of their contract period. However, they shall have to submit their bids on the modified PITB's Online LPDD Portal from 15th February, 2023 for which they shall have to provide and upload necessary data for registration purposes.

(DR. AHMED JAVED QAZI)

SECRETARY

SPECIALIZED HEALTHCARE &
MEDICAL EDUCATION DEPARTMENT

No. & Date Even:

A copy is forwarded for information to the:

1. Chairman, Punjab Information & Technology Board, Lahore with the request to instruct his team to modify the Online LPDD Portal as per these Guidelines in consultation with the SHC&MED.
2. Managing Director, Punjab Procurement Regulatory Authority, Punjab
3. Executive Director, SM&IPU, SHC&ME Department
- ✓ 4. System Analyst / In-Charge ICT, SHC&ME Department with the request to upload the policy on official website of the department
5. PS to Secretary, SHC & ME Department, Govt. of the Punjab.
6. PS to Secretary SHC&ME Department - South Punjab, Govt. of the Punjab.
7. PS to Special Secretary (D&R), SHC & ME Department, Govt. of the Punjab.
8. PA to Additional Secretary (Procurement), SHC&ME Department

SECTION OFFICER (PURCHASE -I)

Minimum Criteria for Registration of Vendors for the Local Purchase on Day-to-Day (LPDD)**Basis**

- i. The interested applicant vendor shall have valid drug sales license issued on Form 9 by the licensing authority.
- ii. Performance Guarantee ranging from Rs 20,000 to Rs. 50,000 to be submitted by the individual interested applicant vendor, which shall be returned upon satisfactory performance after completion of registration period if not extended further. A certificate regarding satisfactory performance may be issued by the LP Section on the recommendation of LPVC under intimation to the Medical Superintendent/ Chief Executive Officer of the hospital.
- iii. Sales of drugs shall be under the supervision of qualified Pharmacist.
- iv. Discount shall be as per the LP Guidelines of SHC&ME Department (see Annexure-B).
- v. Location of the Pharmacy shall be within 10 Km radius of the hospital. In case the Head of the Institution and the Medical Superintendent/ Chief Executive Officer are of the opinion that the radius of 10 Km is limiting an impactful competition, they shall jointly submit the case for relaxation of 10 Km radius to the SHC&ME Department with proper justification. SHC&MED shall decide the case on merit within 7 days, and the maximum upper limit of radius may then be enhanced upto the maximum 20 Km.
- vi. Undertaking on a Stamp Paper of Rs. 100 value regarding the following:
 - a. That proprietor/ applicant vendor has read and agreed with all the terms and conditions of Local Purchase on Day-to-Day basis.
 - b. That applicant vendor, upon registration, shall actively participate in the daily LPDD bidding process. In case he does not participate in the bidding process for five consecutive days, his registration shall be suspended by the hospital.
 - c. That the applicant vendor is not blacklisted by any department.
- vii. Affidavit by the proprietor/ applicant vendor shall be duly attested by the Notary Public to the effect that the Pharmacy / proprietor is not involved in sale of spurious / substandard drugs / stolen / theft government supplies.
- viii. Pharmacy shall have minimum one year experience of sale of medicines / surgical disposables etc.
- ix. Good storage conditions to be verified through inspection by the procuring agency.
- x. Financial soundness to be determined by the procuring agency keeping in view the value of procurement of medicines / surgical disposable etc. on day-to-day basis.
- xi. Applicant vendor is an active taxpayer.
- xii. Applicant vendor shall have the computerized inventory management software to monitor the inventory and record of sale / purchase of medicines / surgical disposables etc. and proper human resource for management and timely transportation of LP indent items.
- xiii. Physical inspection of the pharmacy before registration by the hospital for verification of submitted information and compliance of Good Storage Practices.

NOTE: The hospital for the purpose of healthy competition, transparency and cost effectiveness may add (not delete) terms and conditions for registration of LPDD vendors on the PITB's Online LPDD Portal for swift and secure supply of medicines and surgical disposables to the hospital.

Minimum Terms and Conditions for supply of medicines & surgical disposable etc. to be followed by the registered LPDD vendor:

- i. The LPDD vendor shall supply all the medicines and surgical disposables etc. as per provisions of the Drug Act 1976 / DRAP Act 2012 and rules framed thereunder and prevailing drug sales rules. Compliance of all relevant rules / regulations / laws for sale of medicines / surgical disposables etc. shall be the responsibility of the LPDD vendor.
- ii. The LPDD vendor shall supply the brands of medicines and surgical disposable etc. approved by the P&TC in same strength and pack size and dosage form, without any deviation.
- iii. Offered / quoted discounts on each category of medicines/ surgical disposables shall be based on Maximum Retail Price (MRP) of the medicines / surgical disposable etc. fixed by the Drug Regulatory Authority of Pakistan (DRAP). For registered surgical disposables etc. where MRP is not fixed by DRAP, P&TC shall finalize and notify the price considering rates of same items from different hospitals & market survey. The notified list of these surgical disposables etc. shall be forwarded to the PITB for configuration with the PITB's Online LPDD Portal.
- iv. The registered LPDD vendor shall participate in daily online bidding of LPDD items. In case of failure to participate in online bidding consecutively for five days, the registration of the LPDD vendor shall be suspended by the hospital. Subject to payment as stated at Sr. No. (v) below, upon written request alongwith an affidavit on a Stamp Paper worth Rs. 100 that he shall comply with the requirement of participation in online bidding process in future, the suspension of registration shall be withdrawn by the hospital.
- v. A registered LPDD vendor who has not submitted bid for 5 consecutive days on the PITB's Online LPDD Portal shall be penalized for 0.5% of the total cost of the 5 days Local Purchase value. PITB shall identify and notify those LPDD vendors who do not submit their online bid for consecutive five days and calculate the amount of penalty and shall intimate to the procuring agency / hospital for recovery.
- vi. In case of shortage of medicines / surgical disposables etc. in the market, the registered LPDD vendor shall bring the matter into the notice of the hospital. The hospital through LPVC after due diligence may relax the condition of minimum discount, prescribed shelf life and any other parameter not inconsistent with the Drug Act 1976 / DRAP Act 2012 and rules framed thereunder to ensure uninterrupted supply of medicines / surgical disposables etc. The offered price shall not exceed the MRP fixed by DRAP. Such cases shall be approved by the Head of Institution (Vice Chancellor / Principal / Executive Director / Dean as the case may be) and shall be reported to PITB for incorporation of any relaxation. Such matters shall be reported in monthly report of shortage of medicines and surgical disposables to Chief Drug Controller, Punjab, and SHC & ME Department.
- vii. A registered LPDD vendor if found indulged in corrupt, fraudulent malpractices and fails to fulfill the contractual obligations or commits any act detrimental to the public interest shall be blacklisted by the procuring agency.
- viii. Registration of LPDD vendor shall be valid upto 30th September irrespective of the date of application / registration, and extendable on yearly basis subject to submission of application, fulfillment of prevailing eligibility criteria, terms &

conditions for supply of medicines & surgical disposables etc. & satisfactory past performance.

- ix. Registration of LPDD vendor, who has failed to participate in the LPDD bidding process for more than 5 consecutive days four times, shall be cancelled. Such LPDD vendor shall be debarred from participation in the bidding process on PITB's Online LPDD Portal from any of the hospitals till the next coming 30th September.
- x. The LPDD vendor whose registration has been cancelled shall have to submit a new application for registration after the next coming 30th September.
- xi. A registered LPDD vendor, if proved to be supplying expired stock / spurious drug or found selling Government owned medical supplies shall be ineligible for further participation besides initiation of legal action as per law.
- xii. Minimum percentage of discount on MRP (fixed by DRAP), on Local Purchase on Day-to-Day (LPDD) basis inclusive of all applicable taxes to be offered by the registered LPDD vendor shall be as follows:

Minimum Discount for Local Purchase on Day-to-Day basis on MRP fixed by DRAP			
Sr. No.	Name	National Firms	Multinational Firms
1.	Medicine (with MRP fixed by DRAP)	10%	6%
2.	Surgical disposables etc. (with MRP fixed by DRAP)	15%	
3.	Surgical disposables etc. (without MRP) (Rates finalized by P&TC of the hospital on the basis of market survey)	15%	

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