**ITEM NO. 02 (E-01)**

1. **Name of the Subject/Project:**

Administrative Approval and Expenditure Sanction of Rs.300 Lacs for procurement of Allopathic Medicines for the year 2013-14.

1. **Name of the Department/Departments concerned:**

Health, (Medical Sector)

1. **Brief History of the subject/Project:**

NDMC provides medical care including issue of medicines to masses free of cost. A sum of Rs.300 lacs has been allocated under Head of A/C 230/80/47 in the budgetary proposal for the year 2013-14 for the procurement of allopathic Medicines. A sum of Rs.299.98 Lac out of the allocated amount of Rs.300 Lacs was spent on the purchase of Allopathic Medicines during the year 2012-13. The medicines are procured from:

* 1. the firms at the rates approved under the Rate Contract by placing supply orders every quarter.
  2. Kendriya Bhandar especially the medicines required by the employees and their dependents which are not in stock in the Central Medical Store.
  3. the open market by calling quotations, specially the life saving vital drugs required in emergent cases which are neither under the rate contract and nor are available with the firms registered with NDMC.

1. **Detailed proposal on the subject/project.**

The Council vide its resolution no.04 (E-2) dt. 27.11.2012 **(Annexure-I) (See pages 11-12)** had approved the Rate Contract for the purchase of Allopathic Medicines for a period of one year from the date of execution of agreement. The said rate contract is valid till 17.06.2013. Accordingly, the department is likely to place first quarterly supply orders before the expiry of existing Rate Contract. In addition, the department will have to make local purchase of medicines up to Rs.2 lacs per month from Kendriya Bhandar to discharge its obligations of medical care towards its employees. The consumption of various medicines during the year 2013-14 along with stock position as on 01.04.2013 has been documented in **(Annexure-II) (See pages 13 – 26)**

Logistic Management is the function of Medical Department as per council Resolution No.26 (E-6) DT 19/12/2007 **(Annexure-III) (See pages 27 – 28).**

This is a proposal for Administrative Approval and Expenditure Sanction of the budgeted amount of Rs.300 Lacs for the procurement of Allopathic Medicines during the year 2013-14.

1. **Financial implication of the proposed project/subject**

Rs.300 Lacs

1. **Implementation schedule with timeliness for each stage including internal processing.**

The supply order will be placed every quarters based on the rate of consumption of various drugs during the preceeding quarter. Normally one month time period is granted from the date of placing of the supply orders for making and completing the deliveries.

1. **Comments of the Finance Department on the subjects.**

Concurred vide endorsement No.629/Finance dated 16.04.2013.

1. **Comments of the department on the comments of Finance Department.**

Nil

1. **Final views of Finance Department.**

Already concurred vide no. 629/Finance dated 16.04.2013.

1. **Legal implications of the subject**

Nil

1. **Details of previous Council Resolution, existing law of parliament and Assembly on the subject.**

Reso. No. 26 (E-06) dated 19.12.2007

Reso. No. 16 (E-01) dated 26.04.2012

1. **Comments of the Law Department on the subject/Project.**

Nil

1. **Certification by the department that all Central Vigilance Commission (CVC) guidelines have been followed while processing the case.**

It is certified that all the CVC guidelines will be followed.

1. **Recommendations.**
   * 1. Administrative Approval and Expenditure Sanction of Preliminary estimate of Rs.300 Lacs (Rupees Three Hundred Lacs only) for purchase of Allopathic Medicines during the year 2013-14.
     2. Approval to place supply orders every quarter based on requirement during the preceeding three months with a provision to place a supplementary order in between if the need so arises, to the firms under the approved rate contract.

**COUNCIL’S DECISION**

Resolved by the Council to accord administrative approval and expenditure sanction to the preliminary estimate amounting to `300 Lacs for purchase of Allopathic Medicines during the year 2013-14.

It was further resolved by the Council to accord approval to place supply orders every quarter, based on requirement during the preceeding three months, with a provision to place a supplementary order in between if the need so arises, to the firms under the approved rate contract.

It was also resolved by the Council that further action may be taken by the Department in anticipation of confirmation of the Minutes by the Council.