



**PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS  
AUTHORITY**

**INVESTIGATION REPORT INTO ALLEGED PROCUREMENT  
IRREGULARITIES THE PROCUREMENT OF SUPPLY,  
INSTALLATION, TRAINING AND COMMISSIONING OF A  
CUSTOMISED INTEGRATED HOSPITAL  
MANAGEMENT SYSTEM (IHMS) FOR MUGONATI NATIONAL REFERR  
AL HOSPITAL (MNRH), KAWEMPE AND KIRUDDU HOSPITALS**

**ENTITY: MINISTRY OF HEALTH**

**COMPLAINANT: MFIDOCUMENT SOLUTIONS LTD JV**

**AUGUST 2019**

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## **ACRONYMS**

AfDB	:	African Development Bank
PPDA	:	Public Procurement and Disposal of Public Assets Authority
GOU	:	Government of Uganda
HR	:	Human Recourse
ICB	:	International Competitive Bidding
ICT	:	Information Communication Technology
ITB	:	Instruction to bidders
IHMS	:	Integrated Hospital Management System
MOH	:	Ministry of Health
MNRH	:	Mulago National Referral Hospital
NIRA	:	National Identification and Registration Authority
SPN	:	Specific Procurement Notice
UGX	:	Uganda Shillings

## 1.0 SUMMARY OF FACTS

1. The procurement for supply, installation, training and commissioning of a customized Integrated Hospital Management System (IHMS) for Mulago National Referral Hospital (MNRH), Kawempe and Kiruddu Hospitals was initiated on 25<sup>th</sup> October 2017 at an estimate cost of USD 700,000.
2. The Government of Uganda received a grant from the African Development AfDB towards the cost of Improvement of Health Services at Mulago National Referral Hospital and the City of Kampala Project, and it intends to apply part of the proceeds of this grant to payments under the contract for Supply, Installation, Training and Commissioning of a Customised Integrated Hospital Management System (IHMS).
3. The required application is a computerized high performance, secured, web-based with virtualization capability, user friendly, multi-currency and multi-lingual customized Integrated Hospital Management System, built on modern technologies, for the GOU that will facilitate the delivery of efficient health care services and in particular automate clinical and administration processes; radiology and telemedicine interventions. The system shall be implemented in an integrated architecture to serve Mulago National Referral Hospital, Kiruddu and Kawempe Hospitals in Kampala.
4. The expected hospital managed functions include the following:
  - i. Booking & Appointment management
  - ii. Patient Registration management
  - iii. Consultation management
  - iv. Laboratory management
  - v. Imaging management
  - vi. Histopathology management
  - vii. Pharmacy and Drug administration
  - viii. Nurse station management
  - ix. Admission and discharge management
  - x. Diet and Nutrition management
  - xi. Blood transfusion management
  - xii. Operating theatre management
  - xiii. CSSD management
  - xiv. House Keeping management
  - xv. Finance and accounting management
  - xvi. Billing (IPD&OPD) management
  - xvii. Customer Relations Management functions
  - xviii. Asset and Equipment management
  - xix. HR functions
  - xx. Supply chain management
  - xxi. Stores management

- xxii. Telemedicine system
  - xxiii. Reporting with business intelligence capability to provide timely reports and analysis to facilitate informed decision making.
5. The system will be easy to integrate with all other GOU systems and specifically with the National Identification and Registration Authority (NIRA) system, PACS, Birth and Death Registration.
  6. The general procurement notice was issued in the UNDB online on 11<sup>st</sup> October 2011 and on AfDB Group Internet website.
  7. On 24<sup>th</sup> November 2017, Procurement and Disposal Unit submitted to Contracts Committee the bidding document, Evaluation Committee, Specific Procurement Notice (SPN) and the ICB procurement method for approval.
  8. On 19<sup>th</sup> December 2017, Contracts Committee approved the bidding document, Evaluation Committee, Specific Procurement Notice (SPN) and the procurement method.

**Table 1: Evaluation Committee**

No.	Name	Designation
1.	Ms. Rosemary Byanyima	Senior Consultant
2.	Dr. Ruth Sengozi	Quantity Surveyor
3.	Mr. George Okurutu	Systems Analyst
4.	Mr. David Nuwamanya	Principle Health Assistant
5.	Mr. Wilberforce Turyamubona	Head Procurement and Disposal Unit
6.	Ms. Preg-Tech Communications	Technical Expertise
7.	Ms. Immaculate Mary Kavuma	Nursing Officer
8.	Ms. Grace Namalota	Senior Procurement Officer

9. On 23<sup>rd</sup> January 2018, the AfDB granted a No Objection to the bidding document, Evaluation Committee, Specific Procurement Notice (SPN) and the procurement method.
10. On 26<sup>th</sup> January 2018, the specific procurement notice was issued in the Monitor Newspaper and the New Vision Newspaper with the deadline of bid submission deadline of 16<sup>th</sup> March 2018.
11. The number of firms issued bidding documents were 32.

12. A pre-bid meeting was held on 9<sup>th</sup> February 2018 and pre-bid minutes were issued to the bidders and shared with the AfDB on 12<sup>th</sup> February 2018.

13. Six bids were received by 16<sup>th</sup> March 2018 and opened on the same day as indicated below.

**Table 2: Record of Bid Opening**

No.	Name of bidder	Price Read Out (USD)
1.	Mantra Technology in JV with SRIT Private Limited	2,093,184.35
2.	Sybyl Ltd JV with Datamoto Technologies Tesi Spa	1,534,988.08
3.	Computech Ltd Uganda JV with computech Ltd Kenya & seven Hills Pvt e-Health Ltd	3,079,173
4.	Technology Associates JV with Kranium Healthcare	1,726,511.91
5.	MFI JV with Gemini Learning system OPC Pvt Ltd	1,277,850
6.	ICT Health	2,500,000

14. The Record of bid opening sent to AfDB on 19<sup>th</sup> March 2018.

15. On 20<sup>th</sup> March 2018, Contracts Committee approved the new Evaluation Committee which evaluated the bids.

**Table 3: Evaluation Committee**

No.	Name	Designation
9.	Dr. Rosemary Byanyima	Senior Consultant
10.	Mr. Jimmy Ameny	Procurement Specialist
11.	Ms. Emily Nakkazi	ASM-NITA-U
12.	Mr. Tonny Bbosa	NITA-U
13.	Mr. Simon Peter Lwanjo	ICT Consultant

16. On 13<sup>th</sup> July 2018, the Procurement and Disposal Unit by email requested all bidders to extend bid validity to 16<sup>th</sup> September 2018 and bid securities to 14<sup>th</sup> October 2018.

17. On 15<sup>th</sup> August 2018, Entity requested the AfDB to reconsider its position to cancel the procurement and grant a No objection.

18. On 24<sup>th</sup> August 2018, the AfDB in response gave to the Entity comments on the Bid Evaluated Report and requested that MOFPED extension of the disbursement date of the funds.
19. On 29<sup>th</sup> September 2018, the AfDB responded with further comments to the Entity.
20. On 5<sup>th</sup> October 2018, the PDU by email requested all bidders to extend bid validity to 16<sup>th</sup> November 2018 and bid securities to 14<sup>th</sup> December 2018.
21. On 8<sup>th</sup> October 2018 and 16<sup>th</sup> October 2018, Mantra and Technology Associates extended their bid validity and security respectively.
22. Three firms (Mantra, Sybyl & Technology Associates) passed preliminary examination and proceeded to technical evaluation. Technology Associates failed at detailed technical due to the following:
- i. Lack of verifiable artifacts /evidence in terms of screen shots to support availability of software in contravention of Section 4.1 expected system requirements in the bidding document. Only two were evaluated at financial stage.
  - ii. For HR functionality, finance & inventory management, the bidder proposed to use Microsoft dynamics with extended pack functionality which was proprietary software as opposed to open source platform required as stated in the bid document section:(FR020 - Requirement Area/Process: Human Resource).
  - iii. Under Hardware section:
    - Heavy duty Photocopier – the bidder provided 1GB +80 GB hard disk shared rather than memory capacity of 2 GB Ram+ 80 GB hard drive that was specified.
    - Telemedicine Equipment -Boom Camera, bidder did not provide specifications / back up evidence for the boom camera in the Telemedicine solution.
23. Financial comparison of the two bidders:

**Table 4: Financial Comparison**

No	Name of bidder	Evaluated Price (USD)	Ranking
1.	Mantra Technologies Limited in JV with SR IT Private Limited	2,093,184.35	2
2.	Sybyl Ltd with Damato Technologies & TESI SPA	1,534,988.08	1

24. On 22<sup>nd</sup> October 2018, the Evaluation Committee recommended award of contract for Supply, Installation, and Commissioning of Integrated Hospital Management System (IHMS) for Mulago National Referral Hospital (MNRH), Kawempe and Kiruddu Hospitals to Mantra Technologies Limited in JV with SRIT Private Limited at

USD 2,093,184 (United States Dollars Two Million Ninety Three Thousand One Hundred Eighty Four Only VAT inclusive).

**However, the best evaluated bidder quoted USD 2,093,184.35 against a budget of USD 700,000. The deficit is USD 1,393,184.35. The Evaluation Committee therefore recommends that the contract be awarded subject to any of the alternatives below:**

- a. That the Accounting Officer confirms the availability of an extra funds to the tune of USD 1,393,184.35 and award the contract at USD 2,093,184 to cater for the deficit.
- b. The Accounting Officer invokes ITB 33.1 and reduces the scope of works and award the contract to the best evaluated bidder.
- c. In case the Accounting Officer finds either of the above alternatives not appropriate, the Ministry of health should consider revising the specifications and re-advertise the procurement.
- d. Further post qualification exercise be conducted as part of the due diligence. The Bidding documents under ITB 31.2 required that as part of the post- qualification process, the system offered by the Best Ranked Bidder be subjected to visits and/ or interviews with the Bidder's clients referenced in its bid, site inspections, etc. to examine performance benchmarks.

25. The Evaluation Report indicated that three(3) bidders were not responsive at preliminary examination as indicated in Table 3 below:

**Table 5: Unsuccessful bids at preliminary examination**

No	Name of Bidder	Reasons for Disqualification
1.	ComputechLtd Uganda JV with computechLtd Kenya &sevenHillsPvt e-Health ltd	<p>a) There was no evidence of the Powers of Attorney for MR. SudhirKabra to represent ComputechLtd Kenya in the JV between Computech Ltd Uganda and Computech Ltd Kenya. We also did not find evidence of the powers of attorney for MR. Rajsekhar G to represent SevenHills e-health PVT ltd in the JV between Computech Ltd Uganda and SevenHills e-health PVT ltd thus making difficult to validate if the JV signatories for Computech Ltd Kenya and SevenHills e-health PVT ltd were lawful representatives of their respective companies.</p> <p>b) The Bid security was in the names of Computech Limited of P.O Box 59789-00200 Nairobi, Kenya only contrary to ITB 17.3. The lead partner in this JV is computech Uganda Ltd and the Bid security does not encompass the names</p>

No	Name of Bidder	Reasons for Disqualification
		of the partners in the JV.
2.	MFI JV with Gemini learning system OPC Pvt Ltd	<p>a) The relevant experience sheets provided that would have met the requirements of similar projects based on the physical size, complexity, methods/technology or other characteristic's as described in section iv for project (a) Contract 4, IHMS for Maulana Mohammed Ali Jauhar Trust and (b) Contract for IHMS for Motherhood women and childcare hospital are projects for (The Gemini – India. Ahmedabad-Gujarat) which company is not a partner in the JV between MFI Document Solutions Ltd and Gemini Learning system Opc pvt Ltd. This therefore makes the experience not to be admissible for evaluation of the JV's experience. The other provided experience sheets do not meet the requirements of similar projects based on the physical size, complexity, methods/technology or other characteristic's as described in section iv.</p>
3.	ICT Health	<p>a) Bid security was issued to Scintl ltd of P.O Box 36639 Kampala which is not the bidding company. The bidding company is ICT health and neither is it in a joint venture with Scintl contrary to ITB 17.3 which states that the bid security of a Joint Venture shall be issued in the name of the Joint Venture submitting the bid and shall list all partners of the Joint Venture.</p> <p>b) The bidder did not use the standard bid submission form as such did not provide a bid validity date on the cover letter submitted.</p> <p>c) The bid submission form was lacking key declarations making it incomplete e.g. the bid validity period, the declaration that the software included in the bid is owned by the bidder.</p> <p>d) The bidder did not demonstrate satisfactory experience. Project sum for</p>

No	Name of Bidder	Reasons for Disqualification
		<p>Narayana Health is not stated and there is no proof that the project was completed. Project Karkata's value is below the required threshold and complexity. The bidder ICT Health LLC Dubai is using experience of ICT Health LLC based in India yet there is no evidence of JV between the two companies.</p> <p>e) The project team proposed is mainly with staff from Scintl yet the bidder did not provide a JV, Partnership deed or letter of association with the local Representative Scintl</p> <p>f) The bidder did not provide a proposal for Telemedicine</p> <p>g) The bidder did not expressly state assertions on Intellectual Property in the bid form neither was it subsequently stated in the bid submissions.</p>

26. At post qualification, Sybil failed on performance /functionality tests of its information system offered as it did not meet the system requirements stated in ITB 6 and 16 of the bidding document. Pursuant to ITB Clauses 6 and 16, and as additionally specified in the BDS of the bidding documents, the performance/ functionality tests of the Information System offered by the next Lowest Evaluated Bidder (Mantra Technologies Ltd SR IT India Private Ltd JV met the technical requirements in ITB 31 in the bidding document. Consequently, the bidder was recommended for award of contract.

27. On 22<sup>nd</sup> October 2018, the Contracts Committee deferred approval of the recommendation to award the contract for the Supply, Installation, and Commissioning of Integrated Hospital Management System (IHMS) for Mulago National Referral Hospital (MNRH), Kawempe and Kiruddu Hospitals pending confirmation of full funding by the Accounting Officer.

28. On 6<sup>th</sup> November 2018, the Entity requested for a No objection from the AfDB to reduction in scope of system to be supplied and phasing of the project since the best evaluated bidder quoted USD 2,093,184.35 against the confirmed amount of USD 700,000.

29. On 21<sup>st</sup> November 2018, the AfDB requested the Entity to negotiate with the provider on the scope reduction and phased implementation of the project.

30. On 7<sup>th</sup> December 2018, the PDU submitted to Contracts Committee a request to approve revised Bid Evaluation Report recommending award of contract Mantra Technologies Limited at USD 700,000 and the Negotiation Team.
31. On 7<sup>th</sup> December 2018, the Contracts Committee approved the award of contract for the Supply, Installation, and Commissioning of Integrated Hospital Management System (IHMS) for Mulago National Referral Hospital (MNRH), Kawempe and KirudduHospitals for the Ministry of Health to be awarded the contract is Mantra Technologies Limited in JV with SR IT Private Limited Sai Amara Plaza, Plot No. 20-24 Spring Road, Bugolobi, P.O Box 8623 Kampala, Uganda at USD 2,093,184 (United States Dollars Two Million Ninety Three Thousand One Hundred Eighty Four Only). The committee also approved the Negotiation Team.
32. On 20<sup>th</sup> December 2018, a negotiation meeting was held between the team and Mantra Technologies Limited, agreed to reduce scope to USD 700,000, the payment plan and the implementation schedule.
33. On 14<sup>th</sup> January 2019, technical and contractual discussion were held the Best Evaluated Bidder and agreed that it submits a revised implementation schedule by 18<sup>th</sup> January 2019.
34. On 15<sup>th</sup> January 2019, the Mantra Technologies Limited submitted a revised implementation plan phase 1 for USD 700,000.
35. On 21<sup>st</sup> January 2019, the Entity informed the AfDB that negotiations were concluded, phase 1 will cover the functional system (Clinical Module) as well as most hardware for specialized lower Mulago, maternal and Neonatal Hospital. The Entity further indicated that Phase 2 will include functional modules and the implementation of Kawempe and KirudduHospitals at a cost of USD 1,393,184 under GOU funding. Entity requested a No objection to enter into contract with Mantra Technologies Limited in JV with SR IT Private Limited.
36. On 7<sup>th</sup> February 2019, the AfDB granted a No objection to the contract for contract of Supply, Installation, and Commissioning of Integrated Hospital Management System (IHMS) for Mulago National Referral Hospital (MNRH), Kawempe and KirudduHospitals for the Ministry of Health with Mantra Technologies Limited in JV with SR IT Private Limited for phase 1 at USD 700,000. Phase 2 was to be funded under GOU.
37. On 11<sup>th</sup> February 2019, the Entity displayed a Notice of best evaluated bidder with a removal date of 22<sup>nd</sup> February 2019.
38. On 22<sup>nd</sup> February 2019, MFI wrote to the Accounting Officer alleging irregularities in procurement process for Supply, Installation, and Commissioning of Integrated Hospital Management System (IHMS) for Mulago National Referral Hospital (MNRH), Kawempe and Kiruddu hospitals for the Ministry of Health.

39. On 5<sup>th</sup> March 2019, the Entity debriefed MFI Document Solutions Ltd on the unsuccessfulness of its bid.
40. On 7<sup>th</sup> March 2019, MFI Document Solutions Ltd wrote to PPDA complaining about the irregularities in procurement process for supply, installation, and commissioning of integrated Hospital Management System for Mulago National Referral Hospital (MNRH), Kawempe and Kiruddu Hospitals for the Ministry of Health.
41. On 15<sup>th</sup> May 2019, Ministry of Health signed a contract with Mantra Technologies Limited in JV with SR IT Private Limited for Supply, Installation, and Commissioning of Integrated Hospital Management System (IHMS) for Mulago National Referral Hospital (MNRH), Kawempe and Kiruddu Hospitals at USD 2,093,184.35 (Phase 1 of \$700,000 to be funded by the AfDB while the balance of \$1,393,181 for phase 2 to be funded by GOU).
42. On 11<sup>th</sup> June 2019, the Accounting Officer appointed a Contract Management Team headed by Dr. Dr. Rosemary Byanyima.

## **2.0 OBJECTIVE OF THE INVESTIGATION**

The Objectives of the investigation were to establish whether:

- i. The procurement process for the for Supply, Installation, and Commissioning of Integrated Hospital Management System (IHMS) for Mulago National Referral Hospital (MNRH), Kawempe and Kiruddu hospitals for the Ministry of Health was properly handled.

## **3.0 LAW APPLICABLE**

1. The Public Procurement and Disposal of Public Assets Act, 2003.
2. The Public Procurement and Disposal of Public Assets Regulations, 2014.
3. The Standard Bid Evaluation Guide for Procurement of Goods and Works, African Development AfDB, November 2010.
4. The bidding document issued.

## **4.0 METHODOLOGY**

### **4.1 Review of the following documentation:**

- i. Requisition;
- ii. Letters of Invitation;
- iii. Bidding documents issued to bidders;
- iv. Records of issue and receipt of bids;
- v. Records of bid opening;
- vi. Bids submitted by bidders;
- vii. Evaluation reports;
- viii. Contracts Committee minutes;
- ix. Complaints referred by the Inspector General of Government and additional complaint from whistle blower;

- x. Correspondences between MOH and WorldAfDB and;
- xi. Correspondences relating to the procurements.

4.2 The Authority met the following officials:

**Table 6: Officials Met**

No.	Name	Job Title
1.	Mr. Jimmy Ameny	Procurement Specialist-MOH
2.	Mr. Stanley Ahabwe	Head Procurement and Disposal Unit-MOH
3.	Mr. Sasidharan Girish	Authorized Signatory, MFI

## 5.0 FINDINGS BY THE AUTHORITY

### 5.1 Whether the bid of MFI Document Solutions Limited and Gemini Learning System OPC Private Limited JV expired without the Entity's request for extension of bid validity

- i. The complainant alleged that the bid of MFI Document Solutions Limited and Gemini Learning System OPC Private Limited JV for Supply, Installation, and Commissioning of Integrated Hospital Management System (IHMS) expired without a request for extension of bid validity by the Ministry expired on 25<sup>th</sup> May 2018 during evaluation process without a request for extension of bid validity by the Ministry.
- ii. The bid notice required that bids should remain valid for a period of 120 days after bid submission.
- iii. Regulation 52 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services ) Regulations 2014, states that “ *where an extension to the bid validity period becomes necessary , a bidder shall be requested in writing , before the expiry of the validity of its bid , to extend the validity for a specified period...* ”
- iv. Regulation 52 (7) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2014, states that “ *A bidder may refuse to extend the validity of the bid, and where the bidder refuses to do so, the bidder shall not forfeit the bid security* ”.
- v. ITB 18.1 of the bidding document required that Bids shall remain valid, at a minimum, for the period specified in the BDS after the deadline date for bid submission prescribed by the Purchaser, pursuant to ITB Clause 21. A bid valid for a shorter period shall be rejected by the Purchaser as non-responsive. For the convenience of Bidders, the BDS spells out the minimal original expiration dates for the validity of the bid and, if applicable pursuant to ITB Clause 17.1, of the bid security. However, Bidders are responsible for adjusting the dates in the BDS in accordance with any extensions to the deadline date of bid submission pursuant to ITB Clause 21.2.
- vi. The bid data sheet under ITB 18.1 stated that “ *The bid validity period shall be: 120 days after the deadline for bid submission, as specified below in reference to ITB Clause 21.* ”

*Accordingly, each bid shall be valid up to: ... 25<sup>th</sup> May 2018. Accordingly, and pursuant to ITB Clause 17.2 (f), a bid with a bid security that expires before 22<sup>nd</sup> June 2018 shall be rejected as non-responsive”.*

- vii. The Authority reviewed the bid submitted by the JV and found from the bid form dated 16<sup>th</sup> March 2018 in the bid by MFI document solutions & Gemini Learning System OPC Private Ltd JV indicated that its bid will valid for a period of 120 days (25<sup>th</sup> May 2018).
- viii. The Authority noted that the Entity in a letter dated 13<sup>th</sup> July 2018 sent by email same day at 2.07 pm requested all the six (6) bidder including the complainant at [vs.binu@2groupmfi.com](mailto:vs.binu@2groupmfi.com) to extend their bid Validity to 16<sup>th</sup> September 2018 and Bid Securities to 14<sup>th</sup> October 2018.
- ix. The Authority established that the five bidders extended their bid validities except MFI document solutions as requested by the Entity.
- x. During a meeting with the Authority, the bidder's authorized representative denied having received any information from the Entity in respect to extension of the validity of its bid which would amount to breach of procedure by the Entity.
- xi. The Authority also noted that the complainant was not informed of the subsequent bid validity extensions requests since its bid validity had expired in July 2018.
- xii. The Entity informed that Authority that bidder was duly requested to extend its bid validity with other bidders on 13<sup>th</sup> July 2018 but did not respond to the request for extension.
- xiii. The Authority found that the Entity requested for extension of bid validity of all bidders including MFI document solutions Ltd (complainant) in accordance with Regulation 52 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2014 but MFI did not respond to the request for extension.

## **5.2 Whether the bid of MFI Document Solutions Limited and Gemini Learning System OPC Private Limited JV was properly evaluated in respect to specific experience in respect to two contracts of similar nature and complexity**

- i. The complainant alleged that the bid of MFI Document Solutions Limited and Gemini Learning System OPC Private Limited JV was wrongly eliminated at preliminary evaluation stage for lack of specific experience in respect to two contracts of similar nature and complexity which was not part of its bid.
- ii. The evaluation criteria in the solicitation document specified at preliminary stage, that bidders were required to submit the following documents:
- iii. ITB 26 (1) (Preliminary Examination of Bids) in the solicitation document states that *“the Purchaser will examine the bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the*

*bids are generally in order. In the case where a pre-qualification process has been undertaken for the Contract(s) for which these Bidding Documents have been issued, the Purchaser will ensure that each bid is from a pre-qualified Bidder, and in the case of a Joint Venture, that partners and structure of the Joint Venture are unchanged from those in the pre-qualification”.*

- iv. The Bid Data Sheet under ITB6.1 (a) Qualification requirements for Bidders included a quantifiable qualification criterion for experience i.e. *“During the past Six (6) years, the Bidder must have completed at least two (2) successful contracts of similar nature and complexity i.e. involving the Supply, Installation, Training and Commissioning of an Integrated Hospital Management System in a hospital environment of at least 900 bed”.*
- v. According to the Evaluation Report signed on 22<sup>nd</sup> October 2018 the bid by MFI JV with Gemini learning system OPC Pvt Ltd was found non-responsive for failure to meet the requirements of similar projects based on the physical size, complexity, methods/technology or other characteristic’s as described in section iv for project (a) Contract 4, IHMS for Maulana Mohammed Ali Jauhar Trust and (b) Contract 6 IHMS for Motherhood women and childcare hospital are projects for (The Gemini – India. Ahmedabad-Gujarat) which company is not a partner in the JV between MFI Document Solutions Ltd and Gemini Learning system Opc Pvt Ltd. This therefore makes the experience not to be admissible for evaluation of the JV’s experience. The other provided experience sheets do not meet the requirements of similar projects based on the physical size, complexity, methods/technology or other characteristic’s as described in section iv.
- vi. The Authority reviewed the bid submitted by MFI Document Solutions Limited and Gemini Learning System OPC Private Limited JV and noted it included the following projects as evidence of specific experience:

**Table 7: Projects submitted for specific experience**

<b>No.</b>	<b>Project detail</b>	<b>Remarks</b>
1.	Integrated Health Management System and End user Training supplied to SPES Group of Healthcare-India at USD 262,500 with 950 beds.	Did not meet the requirements of similar projects based on the physical size, complexity, methods/technology or other characteristics as described in section iv.
2.	IHMS for Apollo CBCC Hospital and End - User Training at USD 19,530 & completed on 19/10/2014.	Did not meet the requirements of similar projects based on the physical size, complexity, methods/technology or other characteristics as described in section iv.
3.	IHMS at Apex Hospital and End -User Training at USD 120,000 & completed on 22/4/2016.	Did not meet the requirements of similar projects based on the

		physical size, complexity, methods/technology or other characteristics as described in section iv.
4.	IHMS for Maulana Mohammed Ali Jauhar Trust, IHMS, system integrated on-line server and installation of Telemedicine equipment at USD 120,000 completed in 16/12/2016	Meets the requirement but implemented by Gemini – Indiawhich company is not a partner in the JV between MFI Document Solutions Ltd and Gemini Learning system OPCPYT Ltd.
5.	IHMS at Apex Hospital and End -User Training at USD 126,875 & completed on 12/10/2010 with 1050 beds.	More than six years required.
6.	IHMS for Motherhood women and childcare hospital USD 670,000 completed in 27/5/2015 are projects for	Meets the requirement but implemented by Gemini – Indiawhich company is not a partner in the JV between MFI Document Solutions Ltd and Gemini Learning system OPCPYT Ltd

- vii. The Authority found that Evaluation Committee correctly evaluated and found the bid of MFI Document Solutions Ltd and Gemini Learning system OPC Pvt Ltd JV non-responsive at preliminary examination stage since the bidder used experience of Gemini India yet the Bidder JV partner was Gemini Learning OPC.

### **5.3 Whether the procurement of Supply, Installation, and Commissioning of Integrated Hospital Management System (IHMS) lacked fairness and transparency**

- i. The complainant alleged that the procurement process lacked fairness and transparency.
- ii. The Authority reviewed the bidding process and found that the Contracts Committee approved the international competitive bidding method in accordance with Regulation 14 (1) of the (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations 2014; notice of invitation of bids; and the standard bidding document. The Evaluation Committee comprising of five (5) members was approved by the Contracts Committee and received a No. Objection from the World AfDB.
- iii. The procurement was conducted through international competitive bidding as specified in the World AfDBs’s Guidelines: Procurement of Goods, Works, & Non-Consultancy Services under IBRD Loans and IDA Credits & Grants by World AfDB borrowers. Paragraph 2.1 of the Guidelines state that “*the objective of International Competitive Bidding (ICB), as described in these Guidelines, is to provide all eligible prospective*

*bidders with timely and adequate notification of a Borrower's requirements and an equal opportunity to bid for the required goods and works".*

- iv. The Specific Procurement Notice was issued in the Monitor Newspaper and the New Vision Newspaper on 26<sup>th</sup> January 2018 with the deadline of bid submission of 16<sup>th</sup> March 2018 papers of wide circulation in accordance with Regulation 42(1) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations 2014.
- v. All unsuccessful bidders were notified of the reasons on their unsuccessfulness in the Notice of Best Evaluated Bidder displayed on 13<sup>th</sup> February 2019. MFI was debriefed by the Entity on 5<sup>th</sup> March 2018.
- vi. The Authority noted that the Entity applied the evaluation criteria in accordance with the bidding document issued to bidders during the evaluation & the Bid Evaluation Report was approved by the Contracts Committee and received a No Objection from the World AfDB. Hence there was no evidence of conflict of interest and influence peddling by the Ministry staff in awarding of tenders to the successful firms.
- vii. The Authority found no documentary evidence of lack of fairness and transparency in the procurement process for the Supply, Installation, and Commissioning of Integrated Hospital Management System (IHMS) and hence no merit.

## **6.0 OBSERVATIONS**

The Authority made the following observations:

1. There was delayed completion of the procurement; the planned implementation of the Integrated Health Management System was February 2018 but the time of concluding the investigation in August 2019, the phase 1 of contract was under implementation.
2. The Evaluation of bids commenced on 26<sup>th</sup> March 2018 and completed on 22<sup>nd</sup> October 2018, a delay of 146 working days (over 6 months) and hence was undertaken in contravention of Regulation 5 (1) (b) of the PPDA (Evaluation) Regulations, 2014 that require 20 working days for evaluation of works procurements.

## **7.0 RECOMMENDATIONS**

In light of the above findings and in accordance with Section 9(1) (a) of the PPDA Act, 2003, the Authority recommends that the Entity should always ensure that:

- i. The Ministry of Health proceeds with implementation of the contract accordance with the terms therein;

- ii. The Entity should ensure that procurements are implemented according to the procurement plan timelines to avoid delayed services delivery to the intended beneficiaries;
- iii. The evaluation process is concluded within the stipulated timelines to instil bidder confidence in the procurement process and reduce potential complaints that delays the procurement process.