

File no. BMSIC/40025/274-2021/1453

Date: 02/05/2022

ORDER

Tender for rate contract and supply of Drugs for different healthcare facilities of state of Bihar was floated vide Notice inviting tender no.-BMSIC/DRUGS/21-07 in which M/s Arion Healthcare having its office at SCO-907, 2nd Floor, NAC, Manimajra, Chandigarh-160101 was declared as L1/L2/L3 bidder for the following drugs:-

S. No.	Name of the Drug	Rate quoted (Excluding GST)	Status
1.	Ceftriaxone Injection Dry powder for Injection, 1000mg Vial	Rs 12.09/-	L1
2.	Ceftriaxone Injection Dry powder for Injection, 500mg Vial	Rs. 7.19/-	L1
3.	Cefixime tablet 200mg	Rs. 2.39/-	L2
4.	Iron Sucrose Injection (20mg/ml)	Rs. 9.89/-	L1
5.	Meropenem Injection 1000mg Vial	Rs. 169/-	L3

As per the provisions of splitting contained in clause 19(a) of the tender document, M/s Arion Healthcare was requested vide letter no. BMSIC/40025/151/4780 dated 24/09/2021 of BMSICL to match the L1 rate for drugs namely Cefixime tablet 200mg and Meropenem Injection 1000mg Vial against which the bidder was declared as L2 and L3 respectively. M/s Arion Healthcare accepted the proposal to match the L1 rate vide its letter dated 25/09/2021.

Further, as per the terms of tender document, Letter of Intent (LOI) was issued to M/s Arion Healthcare vide letter no. BMSIC/40025/274-2021/5892 dated 09/11/2021 of BMSICL for executing agreement for supply of all above-mentioned 05(five) drugs within 15 days of issuance of LOI but no response was received from the bidder within the due date and hence, reminder/show cause was sent to them via e-mail on 14/12/2021.

Upon reminder, bidder submitted performance security only for executing agreement for the drug named Iron Sucrose Injection 20mg/vial and hence, final show cause notice was issued vide letter no. BMSIC/40025/274-2021/8563 dated 07/02/2022 of BMSICL for executing agreement for rest of the drugs. In response to show cause notice, the bidder submitted performance security for executing agreement for single drug named Meropenem Injection-1000mg and vide its letter dated 22/02/22 informed BMSICL that "the entire pharmaceutical industry is dependent on API imported from China and there is an acute shortage of raw material for this product and other similar products in the Indian market. Also, the price of API has increased 3 (three) times after COVID-19 Pandemic."

In view of the above said facts it is explicitly clear that the reply given by the firm Arion Healthcare is not legally maintainable and is therefore fit to be rejected. Due to non-execution of agreement on time, supply chain of BMSICL has been disrupted. The FMC clause is applicable in case of contractual obligations only and in this case the firm is not entering into the contract itself.



Therefore, in light of provision of Clause 27(A) of the tender document, on account of failure to enter into agreement after issuance of Letter of Intent (LOI) to perform the obligations under the tender conditions, EMD of M/s Arion Healthcare is being forfeited and M/s Arion Healthcare is being blacklisted for its products namely Cefixime Tablet 200mg, Ceftriaxone Injection Dry powder for Injection, 500mg Vial, Ceftriaxone Injection Dry powder for Injection, 1000mg Vial for a period of 2 years from the date of issuance of this order.


(Managing Director)

