

1 of 2



ALL INDIA INSTITUTE OF MEDICAL SCIENCES
DEPARTMENT OF SURGICAL DISCIPLINES
ANSARI NAGAR, NEW DELHI-110029
Email : storesection.newsurgicalblock@gmail.com
(Surgical Block)

S.O. NO. 08/Surgical Block/M&E/2020-21/St.

Dated: 29.04.2021

TO

M/S JOHNSON AND JOHNSON PVT. LTD.
PLOT NO. 118, P SECTOR-44
GURGAON-122 002
EMAIL: amishr24@its.jnj.com

Subject: Purchase of Combined Single Generator for Ultrasonic Cutting and Coagulation device with advance Radio-frequency energy (12 Nos.) –Debarring order thereof.

Sir,

Please refer to your quotation submitted against tender No. 03/SB/M&E/2019-20/St. and subsequent supply order No. S.O. No. 08/Surgical Block/M&E/2020-21/St. dated 27.03.2021 placed for the purchase of Combined Single Generator for Ultrasonic Cutting and Coagulation device with advance Radio-frequency energy (12 Nos.) which was supplied on 30.03.2021.

In this connection, the following have come to the notice:

1. During the process of finalization of above tender and during process of reasonability of prices, M/s Johnson and Johnson has concealed the rates of same quoted items (Equipment and consumables) in NCI, Jhajjar. The said tender was called by HLL wherein rates are lower than what quoted in above referred tender.
2. The rates quoted for NIC for equipment alongwith consumables are lower than rates already approved in running rate contract with AIIMS vide no. 126/H/Suture Material.
3. M/s Johnson and Johnson Pvt. Ltd. has quoted lower rates to NCI, Jhajjar purchase done by HLL even when there is running rate contract with AIIMS, Delhi.
4. During negotiation, M/s Johnson & Johnson submitted copies of supply orders bearing no. 19/Emer. Med./M&E/PAC/2015-16 dated 30.12.2015 and 145/BHC/Stores/2015-16 dated 22.02.2016 for like to like comparison of prices but did not declare/inform the latest lower rate offered in the tender processed by HLL for NCI, Jhajjar vide Supply Order No. HITES/PCD/NCI-AIIMS/31/2019-20/7179 dated 15.02.2020.

Hence, it is evident that company violated full clause provision of the TED by not declaring the recent contract and rates for same product at NCI, Jhajjar. This is a violation of tender condition and shows malafide intention of the company. This concealment of facts was viewed seriously by the competent authority and following principle of natural justice, company was given an opportunity to submit their explanation through Show Cause Notice. In response to our show cause notice M/s Johnson & Johnson submitted the reply requested to give an opportunity for personal hearing. Personal Hearing was held on 20.04.2021 before a Committee. During personal hearing meeting, the representatives of M/s Johnson & Johnson Pvt. Ltd. were given opportunity to give their version on observations

[Handwritten Signature]
29/4/2021

of AIIMS conveyed to M/s Johnson and Johnson in the Show Cause Notice. Committee, after hearing the representatives of M/s Johnson & Johnson Pvt. Ltd. observed the following:

- i. The argument made by rep. of M/s Johnson & Johnson Pvt. Ltd. that all tenders are different and they can quote different rates in different tenders was not accepted by the Personal Hearing Committee as in the tender acceptance form, they have accepted all tender conditions under section-IX including fall clause undertaking at Serial No. 33 of the TED.
- ii. More importantly, firm informed the rates of supply orders bearing no. 19/Emer. Med./M&E/PAC/2015-16 dated 30.12.2015 and supply order no. 145/BHC/Stores/2015-16 dated 22.02.2016 which were finalized during Financial Year 2015-16 but did not disclose the recent rates offered in NCI Jhajjar vide Supply Order No. HITES/PCD/NCI-AIIMS/31/2019-20/7179 dated 15.02.2020 for ascertaining the reasonability of prices in Surgical Block Tender. This has been considered to be unethical, misleading and unjustified on the part of the firm. The firm has deliberately misrepresented the facts to influence a procurement process within the meaning of fraudulent practice under the clause 48 of TED. Accordingly, AIIMS invoked TED 'Corrupt or Fraudulent Practices' clause at sr. No. 48 of GIB against the firm.

In view of the above, committee concluded that M/s Johnson & Johnson Pvt. Ltd. has will fully violated the fall clause of TED and failed to perform contract obligation i.e. Fall Clause and indulged in Fraudulent practice by misrepresentation of facts to influence of procurement process. Hence, Competent Authority considered the recommendation of Committee for invoking TED clause no. 24 'Termination for Default' and ordered to initiate following action with immediate effect from the date of issue of this order:

- 1. The Supply Order No. 08/Surgical Block/M&E/2020-21/St. dated 27.03.2021 stands cancelled and firm is advised to take back of the items immediately.
- 2. The EMD/Performance Security submitted by the firm against this contract stands forfeited.
- 3. The firm M/s Johnson & Johnson Pvt. Ltd. stands debarred for two years to participate in any tender at AIIMS, New Delhi with immediate effect.

It is issued with the approval of the competent authority.

[Handwritten Signature]
 29/4/2021
 Sr. Stores Officer (DO)

Distribution:

- 1. Chief of Centres (CN Centre, Dr. RPC, JPNATC, CDER, NDDTC, Dr. BRA IRCH, NCI, Jhajjar, CHRSP, Ballabgarh)
- 2. Medical Supdt. (AIIMS)
- 3. HODs of all departments
- 4. Financial Advisor
- 5. Sr. Stores Officer/Stores Officer/Asstt. Stores Officer of all Centres/Hospital/Dispenser Facility
- 6. Dy. Secretary (AIIMS)

Copy to:

- 1. PPS/PS to Director/Dy. Director (Admn.)/ Sr. FA
- 2. Prof. In Charge (CF): With the request to upload the same on AIIMS website.

30 APR 2021
 RECEIVED
 M.S. New Delhi-29
[Handwritten Signatures]
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