



Investigation into the Procurement of Emergency Drugs by GPHC

PUBLIC PROCUREMENT COMMISSION
AUGUST 2017

Acronyms

Ansa McAl	Ansa McAl Trading Limited
BDS	Bid Data Sheet
CEO	Chief Executive Officer
FDD	Food and Drug Department
GA-FDD	Guyana Analyst Food and Drug Department
GCC	General Conditions of Contract
GPHC	Georgetown Public Hospital Corporation
GRA	Guyana Revenue Authority
IFB	Invitation for Bids
IPA	International Pharmaceutical Agency
IRD	Inland Revenue Department
ITB	Instructions to Bidders
MMU	Materials Management Unit
MOPH	Ministry of Public Health
New GPC Inc.	New Guyana Pharmaceutical Corporation
NIS	National Insurance Scheme
NPTA	National Procurement and Tender Administration
NPTAB	National Procurement and Tender Administration Board
PAHO	Pan American Health Organization
PPC	Public Procurement Commission
SBD	Standard Bidding Documents
SCC	Special Conditions of Contracts
TOR	Terms of Reference

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Appendices

1. INTRODUCTION

1.1.0 The Public Procurement Commission (PPC), pursuant to the powers vested in it by Article 212AA (1) of the Constitution, launched an investigation into the procurement of pharmaceuticals by the GPHC, following the publication of a number of articles in the local media. The first article, published by the *Guyana Times* on March 9, 2017 was titled “*GPHC creates emergency to sole source \$605M drugs from Trini firm*” (see Appendix A1). The following is an extract:

... Georgetown Hospital has delayed and cancelled four out of its five public tenders within the last four months, creating a situation where there is a massive shortage of pharmaceuticals.

Subsequently, the Corporation’s Chief Executive Officer (CEO), Allan Johnson, on February 28, wrote a letter to the Chairman of the National Procurement and Tender Administration Board (NPTAB), Berkley Wickham, requesting approval for the procurement of these “emergency drugs” in light of the shortage, from ANSA McAL to the tune of \$605,962,200.

This request to bypass the procurement process to sole source drugs from a foreign firm speaks loudly of some public official’s intent to sideline local companies which could have supplied the same pharmaceuticals at cheaper prices...

1.1.1 The referenced article included a copy of the letter that was sent by the GPHC’s then acting CEO, Mr. Alan Johnson, to NPTAB requesting approval to procure emergency drugs from Ansa McAL. A verbatim extract of the letter is as follows:

... The Georgetown Public Hospital Corporation is requesting approval from the National Procurement and Tender Administration Board to procure Emergency Medical Supplies.

These emergency supplies were authorized by the Hon. Volda Lawrence, Minister of Public Health (see letter attached). The pharmaceuticals supplied by this company was at the time of request available only from this supplier.

Grateful for your approval to Ansa McAl Trading Limited for the sum of six hundred and five million nine hundred and sixty-two thousand, two hundred dollars (\$605,962,200) as per attached quotation.

1.1.2 On March 9, 2017, the *Kaieteur News* also published an article titled “*Ansa McAl refutes claims of receiving \$M drug contract through sole sourcing*”, in which Ansa McAL confirmed that it had been awarded a contract to supply drugs to the GPHC to the value of \$605 million, but had not breached any procurement process (see Appendix A2).

- 1.1.3 A press statement subsequently published by the Ministry of Public Health claimed that the Minister of Public Health:
.... sought to fast track the procurement of these pharmaceuticals to minimise the negative effects on patients due to the shortage of some critical drugs. This influenced the decision to seek the greenlight from the National Procurement and Tender Administration Board (NPTAB) for ANSA McAL to supply drugs and pharmaceuticals to the tune of some G\$605M ...' (see Appendix A3).
- 1.1.4 In view of the significant value of the expenditure of public funds under allegedly questionable circumstances and, having regard to the longstanding controversy surrounding the procurement of pharmaceuticals for the public health system, the PPC thought that it was in the national interest to thoroughly investigate the circumstances of this procurement.

2. TERMS OF REFERENCE

- 2.1.0 The aim of the investigation was to determine whether the procurement of emergency drugs by the GPHC to the value of \$631 million from four suppliers, of which Ansa McAL was requested to supply pharmaceuticals to the value of \$605 million, was executed in accordance with the Procurement Act Cap 73:05 and Regulations.
- 2.1.1 Specifically, the investigation sought to ascertain the following:
- The circumstances surrounding the procurement of “emergency drugs” by the GPHC.
 - The compliance of GPHC with the Procurement Act Cap 73:05 in the procurement of emergency pharmaceuticals from four suppliers.
 - The extent of the involvement of the Minister of Public Health in the process that led to the purchase of emergency drugs by GPHC from four suppliers
 - Compliance of GPHC with the Procurement Act Cap 73:05 and Regulations in its general procurement practices in respect of the period January 2016 to May 2017.
 - Measures that GPHC should adopt to improve their procurement practices and ensure adherence to the Procurement Act Cap 73:05.

3. METHODOLOGY

- 3.1.0 The terms of reference (TOR) was developed in accordance with the mandate of the PPC as set out in Article 212AA (1) of the Constitution. The PPC issued a media release on March 30, 2017 announcing the launch of an investigation into the procurement of emergency pharmaceuticals by the GPHC. The statement read as follows:

MEDIA RELEASE

The Public Procurement Commission has noted the recent statements in the media about procurement of pharmaceuticals for the public health sector and, in keeping with its functions as detailed in Article 212(AA). (1) of the Constitution, has commenced an investigation into the procurement of pharmaceutical and other medical supplies, specifically by the Guyana Public Hospital Corporation.

In this regard, the Public Procurement Commission is in the process of collecting and reviewing relevant information from various stakeholders within the national procurement system and will conduct interviews and examine documentation as deemed necessary.

The Public Procurement Commission is committed to a completely transparent and objective investigation, and invites members of the public who may have pertinent information to make written submissions to the Chairman, Public Procurement Commission.

Since the subject of this investigation is of national interest and has resulted in significant public concern, the Public Procurement Commission will submit its findings to the National Assembly.

3.1.1. The PPC invited several officials, as listed in *table 1* below, to attend interviews and audited the procurement transactions executed by the GPHC during the period January 2016 to May 2017.

3.1.2 In the conduct of the investigation the PPC reviewed the following:

1. Reports

- Georgetown Public Hospital Corporation Special Investigation into financial operations and functions, July 2016
- Reports of the Auditor General, 2010-2015

2. Legislation

- Procurement Act Cap 73:05
- Public Corporation Act Cap 19:05
- Food and Drugs Act Cap 34:03
- Health Facilities Licensing Act Cap 33:03
- Fiscal Management and Accountability Act Cap 73:02
- Stores Regulation 1993

3. Written submissions from:

- NPTAB
- GPHC
- New GPC
- Mr. Marlan Cole, Director, Food and Drugs Department.
- Dr. Leslie Ramsammy, Former Minister of Health
- Ms. Kesaundra Alves, Chairman GPHC Board

4. Media reports and the press releases issued by the Ministry of Public Health.

Table 1: Persons interviewed by the PPC

Name	Institution and designation
Honourable Ms. Volda Lawrence	Minister of Public Health
Ms. Collette Adams	Permanent Secretary, Ministry of Public Health
Ms. Kesaundra Alves	Chairman of GPHC Board
Mr. Allan Johnson	Chief Executive Officer (Ag.), GPHC
Mr. O'Neil Atkins	Pharmacy Director, Ministry of Public Health
Mr. Sheik Amir	Director of Medical and Professional Services, GPHC
Mr. Ronald Charles	Director of Finance, GPHC
Mr. Mohammed Karimullah	Director of Finance, GPHC
Ms. Karen Cumberbatch	Assistant Finance Director, Materials Management, GPHC
Ms. Yvonne Bullen	Pharmacy Manager (Ag.), GPHC
Ms. Smita Tikaram	Pharmaceutical Coordinator (Ag.), GPHC
Ms. Anisa Khan	Former Pharmaceutical Coordinator, GPHC
Mr. Berkley Wickham	Chairman, National Procurement Tender Administration Board
Ms. Lavern Lawrence	Vice-Chairman, National Procurement Tender Administration Board
Mr. Donald De Clou	CEO, National Procurement Tender Administration
Mr. Marlan Cole	Director, Food and Drugs Department
Mr. Ravi Ramcharitar	Representative of New Guyana Pharmaceutical Corporation
Ms. Esther Simbo	Representative of IPA
Mr. Reginald Persaud	Representative of IPA
Mr. Sunesh Maikoo	Representative of Ansa McAL Trading Limited (Guyana)

4. FINDINGS

4.1.0 Legal, Institutional and Service Delivery Framework

4.1.1 The Georgetown Public Hospital Board was established as a public corporation by the Georgetown Public Hospital Order 1999 Number 3 of 1999 made under the Public Corporations Act Cap 19:05. The Board is a corporation aggregate consisting of a chairman and eight (8) other members, who are appointed by the Minister of Public Health. The Georgetown Public Hospital Board and its employees together comprise the Georgetown Public Hospital Corporation. The Executive Director who is the chief executive officer of the Board is appointed by the Board and, subject to the general direction and control of the Board, is responsible for implementing the decisions of the Board and the management of the affairs and activities of the Corporation. The Executive Director and the Director of the Medical and Professional Services of the Georgetown Public Hospital are Ex-Officio members of the Board.

- 4.1.2 The Minister of Public Health may give to the Board, directions of a general character as to policy to be followed in the exercise and performance of its functions and the Corporation must give effect to these directions.¹
- 4.1.3 The Georgetown Public Hospital is owned by the Board and is operated by the Corporation pursuant to a licence issued under the Health Facilities Act Cap. 33:03. The current board was sworn-in on February 22, 2017 to serve for one year (February 1, 2017 to January 31, 2018; see *Appendix BI*) and became operational on February 22, 2017 when the first fully constituted Board meeting was held. The members of the existing board are listed in *table 2*. The previous Board was abruptly dissolved in November 2016. Consequently, the GPHC operated without a Board between November and the date the new members were appointed and became fully operational.

Table 2: Members of the GPHC's Board

Names	Designation
Ms. Kessaundra Alves	Chairman
Dr. Holly Alexander	Member
Dr. Ivlaw A. Sinclair	Member
Ms Collette Adams	Member
Ms Sonya Roopnauth	Member
Ms Cleopatra Barkoey	Member
Ms Dawn Gardner	Member

Source: Official Gazette, 2nd March 2017, p. 215

- 4.1.4 The GPHC has a main pharmacy which services the eye clinic, the cardiology department, the medical clinic and is also responsible for the in-patient treatment sheet. There are satellite pharmacies located at the Accident and Emergency Unit, Pediatric Clinic, Medical Outpatients Clinic and Psychiatric Clinic.
- 4.1.5 In addition to the Georgetown Public Hospital, the Corporation manages the Campbellville Health Centre, the Kitty Health Centre, the Industry Health Centre and the Enmore Polyclinic. A pharmacy is operated at each of these entities.
- 4.1.6 The GPHC has a formulary consisting of approximately five hundred (500) drugs. The Pharmacy and Therapeutic Committee maintains the formulary. This Committee is chaired by a doctor and the Pharmacy Manager is a member. The formulary was last reviewed in 2016.
- 4.1.7 The GPHC procures pharmaceuticals and medical supplies to meet the needs of the facilities that it manages. The Procurement Act Cap. 73:05 is the applicable law in relation to such procurement. The purpose of this Act is “to provide for the regulation of

¹ s.23 Public Corporations Act Cap. 19:05

the procurement of goods, services and the execution of works, to promote competition among suppliers and contractors and to promote fairness and transparency in the procurement process.”²

- 4.1.8 The Food and Drugs Act Cap 34:03 has certain provisions which are critical for the procurement of pharmaceuticals. For instance, only a licensed dealer who has obtained a licence from the Minister of Public Health can manufacture or sell a controlled drug³. This licence expires on the 31st of December of the year in which it was issued⁴. Only a licensed dealer issued with a permit by the Minister of Public Health may import a controlled drug⁵. This permit is only valid for the importation for which it was issued⁶. The importer and the drug must be registered with the Food and Drug Department⁷. The registration of the drug takes approximately one hundred and twenty (120) days. The requirement for compliance with these provisions by suppliers sometimes causes delays in the supply chain.
- 4.1.9 The GPHC has a Purchasing Unit (Materials Management Unit) which is responsible for all procurement. The Unit is headed by the Assistant Director, Materials Management. There are fifteen (15) other persons attached to the Unit one of whom is a qualified pharmacist with the designation, Pharmacy Coordinator and is directly responsible for the procurement of pharmaceuticals
- 4.2.0 **Financial Overview of GPHC**
- 4.2.1 The GPHC was previously a Budget Agency, but since September 2015 it has been listed as a subvention agency under the Ministry of Public Health (MOPH). Consequently, the GPHC is provided an annual subvention and processes its financial transactions through the IFMAS system of the Ministry of Finance. For the 2016 fiscal year, the GPHC was provided with a subvention of approximately \$8,273.7 million and for the current fiscal year, the sum of \$8,454 million (see *table 3*).
- 4.2.2 The GPHC expends significant sums on pharmaceuticals and medical supplies annually. *Table 3* shows that the GPHC expended \$2,379.8 million in pharmaceuticals and medical supplies during 2016, approximating 30.8 percent of total recurrent expenditure and 28.8 percent of total revenue. It is projected to expend approximately \$2,555.8 million on pharmaceuticals and medical supplies in 2017 (see *table 3*).

² The Procurement Act Cap. 73:05

³ The Food and Drugs Regulation 89(1)

⁴ *ibid*90(4)

⁵ *ibid* 90(1)(b)

⁶ *ibid* 89(1)

⁷ *ibid* 90(5)

Table 3: Summary of Revenue and Expenditure of GPHC, 2016-2017

Revenue	2016 Actual \$'000	2017 Budget \$'000
Government Subvention	827,3678	8,454,577
Less: Balance of subvention returned	0	0
Total Revenues	8,273,678	8,454,577
Total Expenditure	8,273,678	8,454,577
Recurrent Expenditure	7,713,740	7,954,577
Capital Expenditure	559,938	500,000
<i>Memo:</i>		
Drugs and medical supplies	2,379,846	2,555,799

Source: GPHC

4.3.0 The circumstances surrounding the procurement of “emergency drugs” by the GPHC

4.3.1 The PPC noted that throughout 2016 the GPHC made numerous direct purchases of pharmaceuticals using the quotation and sole source procurement methods. The total value of pharmaceuticals purchased by GPHC in 2016 was \$952.0 million (see *table 4*), inclusive of the annual tender of \$167.9 million.

Table 4: Procurement of pharmaceuticals for 2016

Details	Amount
Annual Tender	\$167,947,509
Other	\$784,087,082
Total	\$952,034,591

Source: GPHC

4.4.0 Annual tender for 2016

4.4.1 The GPHC completed the process for the annual tender for pharmaceuticals for 2016 at the end of June 2016, when awards were made to New GPC (\$90,898,909), Health 2000 Guyana Inc. (\$16,875), Global Healthcare Suppliers Inc. (\$40,518,090), and International Pharmaceutical Agency (\$36,513,089) to the total value of \$167,947,509. The contracts were executed with these suppliers on July 1, 2016 and were valid for a period of six months, ending December 31st, 2016. Notably, the total value of the annual tender was

relatively low in comparison to tenders executed in previous years. Purchases of pharmaceuticals for 2015 amounted to \$1,354 million.

4.4.2 The Global Healthcare Suppliers Inc. and International Pharmaceutical Agency were unable to supply pharmaceuticals to the value of \$6,678,957 and \$8,219,130 respectively in relation to orders for 2016. Global Healthcare Suppliers Inc. wrote GPHC on January 16, 2017 indicating that they were unable to fulfill the contract due to higher prices and unavailability of raw materials globally. International Pharmaceutical Agency wrote GPHC on January 24, 2017 indicating that they would be unable to fulfill their contract due to the problems of obtaining a license to import narcotics and unforeseen price increases for a few items.

4.5.0 Annual tender for pharmaceuticals for 2017

4.5.1 The GPHC officials informed the PPC that the first major tender for pharmaceuticals for 2017 was the “annual tender”, which was launched using the open tender method. This tender commenced with the quantification of drugs by the previous Pharmacy Manager, Ms. June Barry, during the period July-August 2016. Following this exercise, Ms. Barry submitted a *memo* to the then CEO (Ag.), Mr. Sheik Amir, formally requesting approval for procurement of pharmaceuticals for the year 2017. Attached to the memo, dated September 29, 2016, was a list of 439 items with the estimated monthly consumption and annual amount required for each. Mr. Sheik Amir approved the request on September 30th 2016 and forwarded the memo to the Director, Finance, Mr. Charles, who instructed Ms. Cumberbatch, Assistant Director, Finance, to prepare the relevant tender documents based on the approved list of pharmaceuticals. The standard bidding documents were prepared to procure 453 items (divided into 12 lots) to be supplied over the period January 2, to May 1, 2017.

4.5.2 Consistent with the Procurement Act Cap 73:05, the GPHC submitted the standard bidding documents (SBD) to NPTAB for review and approval. The documents were submitted on October 4, 2016 and approved the same day by NPTAB. However, the IFB was signed one month later by then CEO (a.g.), Mr. Amir, on November 4, 2016.

4.5.3 Mr. Sheik Amir subsequently wrote the Chairman of NPTAB on November 7, 2016 advising that the tender would be advertised in the National Newspapers on November 6, 13 and 20, 2016 (see *Appendix B2*). A copy of the advertisement was attached to the letter (*Appendix B3*). Mr. Amir also advised the Chairman of NPTAB that the tender would be opened on Tuesday 22, of November 2016 at 09:00 hours at the NPTAB, Ministry of Finance. A review of the *Guyana Chronicle* revealed that the advertisement was placed in the *Guyana Chronicle* on the dates stated in the CEO’s letter (see *table 5*).

Table 5: Advertisement of notice of annual supplies tender 2017

Dates	Newspaper	Page number
November 6 th 2016	Sunday Chronicle	7
November 13 th 2016	Ditto	XXXVI
November 20 th 2016	Ditto	XXX

Source: *Guyana Chronicle* (various issues)

4.5.4 Ms. Cumberbatch, Assistant Director, Finance, reported to the PPC that prior to the sale of the tender documents to the suppliers, she observed that the list of pharmaceuticals included in the approved standard bidding documents reflected quantities that were inadequate to satisfy the annual requirements of the GPHC. Consequently, the pharmacy staff reviewed the quantities and revised the list of annual requirements, accordingly.

4.5.5 Subsequently, Mr. Amir wrote the Chairman of NPTAB on November 17, 2016 requesting the opening date of the tender be extended from November 22, 2016 to November 29, 2016 (see *Appendix B4*). A verbatim extract of the referenced letter reads as follows:

The Georgetown Public Hospital Corporation is requesting to have the opening date of the above extended from 22nd November 2016.

This request is being made since the quantities being procured have increased from four months to twelve months

Attached is a copy of the bid document with changes to the quantities.

4.5.6 The standard bidding documents with the new quantities were re-submitted to NPTAB and approval was granted on the same day, November 24, 2016. These documents, which invited eligible bids for 452 items for the twelve months' period ending December 2017, were signed by Mr. Sheik Amir on the same date, November 24, 2016

4.5.7 Eleven (11) suppliers purchased the bidding documents from GPHC. They were: New GPC Inc., Big V Enterprise, International Pharmaceutical Agency (IPA), Surety Unlimited Service, Western Scientific Company Limited, Global Healthcare Supplies Inc., Alvin Rambajan, Health 2000 (Guyana) Inc., Ansa McAl Trading Ltd., K&P Project Management, Massy Distribution (see *table 6*). However, only seven (7) of the eleven (11) prospective suppliers submitted bids. These were Massy Distribution, International Pharmaceutical Agency (IPA), Alvin Rambajan, Ansa McAl Trading Ltd, New GPC Inc., Health 2000 Guyana Inc., and Global Healthcare Supplies Inc (see *table 6*).

Table 6: Tender Response Records-Annual Supplies Tender 2017

Company	Receipt Number	Purchased documents	Submitted documents
Massy Distribution	42581	√	√
K & P Project Management	42580	√	
International Pharmaceutical Agency (IPA)	42488	√	√
Big V Enterprises	42180	√	
Surety Unlimited Service	42507	√	
Alvin Rambajan	42583	√	√
Western Scientific Company Limited	42522	√	
Ansa McAl Trading Ltd.	42588	√	√

New GPC Inc.	42487	√	√
Health 2000 Guyana Inc.	42536	√	√
Global Healthcare Supplies Inc.	42532	√	√

Source: Evaluation Report

- 4.5.8 Mr. Amir subsequently wrote NPTAB and requested a further extension of the opening to December 13, 2016. The tenders were opened on December 13, 2016 at 09:00 hours at NPTAB as stated on the IFB. The Tender Response Records revealed that all the bidders submitted the required, signed form of tender, bid security, NIS and GRA compliance. The Tender Response Records also provided information on the price schedule (see *table 7*). Based on the records, the opening of tenders conformed to the Procurement Act Cap 73:05.

Table 7: Tender Opening Records-Annual Supplies Tender 2017

Company	Bid Number	Form of tender signed	Price Schedule	Bid Security (G\$)	IRD (GRA)	NIS
Massy Distribution	1	√	\$576,906,070	\$11,538,121	√	√
International Pharmaceutical Agency	2	√	\$1,138,972,347	\$113,897,234	√	√
Alvin Rambajan	3	√	\$4,680,000	\$93,600	√	√
Ansa McAl Trading Ltd.	4	√	\$1,655,686,000	\$36,000,000	√	√
New GPC Inc.	5	√	\$1,571,293,987	\$50,000,000	√	√
Health 2000 Guyana Inc.	6	√	\$89,806,512	\$1,800,000	√	√
Global Healthcare Supplies Inc.	7	√	\$670,664,936	\$13,413,299	√	√

Source: Evaluation Report

- 4.5.9 Consistent with the Procurement Act, the Chairman of NPTAB approved and notified the GPHC in a letter dated December 13, 2016 that the following persons were identified to serve on the Evaluation Committee for the annual supply of pharmaceuticals:
- Mr. Allan Johnson, CEO (ag.), GPHC
 - Ms. Joan Holder, Procurement Manager, Guyana Revenue Authority (GRA)
 - Ms. Jolene Browne-Griffith, Assistant Secretary General, Ministry of Public Telecommunications
- 4.5.10 The Chairman of NPTAB instructed that the evaluation committee should evaluate the bids and submit the evaluation report with individual score sheets and copies of bid securities no later than December 20, 2016. Section 39(2) of the Act requires the evaluation to be completed within fourteen (14) days. NPTAB only allowed the Evaluation Committee seven (7) days from the tender opening to submit their evaluation report. When asked by the PPC about the reduced time frame given, the Chairman NPTAB stated that this was in an effort to have the GPHC expedite the process.

4.5.11 The CEO (ag.), Mr. Allan Johnson, submitted the evaluation report to the Chairman of NPTAB on December 29, 2016, two days after the statutory period for the completion of the evaluation of tenders. The report recommended that contracts be awarded as follows:

- Massy distribution \$423,520 (lot 2, lot 7)
- International Pharmaceutical Agency \$358.1 million (lot 1 to 15),
- New GPC \$532.0 million (every lot except lot 12)
- Health 2000 (Guyana) Inc. \$80,880 (lot 1)
- Global Healthcare Supplies Inc. \$78.9 million (Lots 1, 2, 3, 4, 5, 7, 10, and 11)

4.5.12 On reviewing the Evaluation Report, the PPC noted the following:

- The lots were not awarded in their entirety to any individual supplier, but were instead split among various suppliers.
- Several suppliers were deemed substantially responsive even though they had not satisfied all the criteria as set out in the *Evaluation and Qualification Criteria* in the standard bidding documents.
- Only one supplier, New GPC, was deemed as having satisfied all the criteria
- Ansa McAl did not satisfy all the criteria and was not considered substantially responsive

The evaluation report recommended the award of contracts to bidders deemed substantially responsive, and based on their price quotations.

Table 7: Summary of criteria satisfied by each bidder

Company	Criteria satisfied/failed
Massy distribution	<p>Considered <i>substantially responsive</i> but failed to satisfy the following criteria:</p> <p>7 - Financial Capacity (Evidence of Liquid Assets or credit not less than 20% of the Bid Price OR Letter of credit/bank statement, credit facilities, etc.</p> <p>15 - Manufacturing Authorization/Letter of Distribution (where applicable)</p> <p>16 - Statement of whether there is any litigation against the company</p>
IPA	<p>Considered <i>substantially responsive</i> but failed to satisfy the following criteria:</p> <p>7 - Financial Capacity (Evidence of Liquid Assets or credit not less than 20% of the Bid Price OR Letter of credit/bank statement, credit facilities, etc.</p> <p>12 - ISO/WHO approval with GMP (Good Manufacturing Practice) certificate and COPP (Certificate of Pharmaceutical Product)</p> <p>13 - Copies of registration for each item from Government Analysis Food and Drug;</p>
Alvin Rambajan	<p>Considered <i>substantially responsive</i> even though not evaluated based on eight criteria and failed to satisfy the following criteria:</p> <p>7 - Financial Capacity (Evidence of Liquid Assets or credit not less than 20% of the Bid Price OR Letter of credit/bank statement, credit facilities, etc.</p> <p>16 - Statement of whether there is any litigation against the company</p>
Ansa McAl	<p>Was <i>not considered substantially responsive</i> because it failed to satisfy the following criteria</p> <p>1- Submission of a Bid Security in Required Amount which must be in the form of a bank guarantee; Criterion 4 - Valid Business Registration;</p> <p>6 - Experience and Technical Capacity (General Experience in the supply of goods and related services for at least two (2) years similar to those offered in the bid) including name of client, address, telephone # and value of contract;</p> <p>11 - Valid Permit from Government Analysis Food and Drug Department to import/distribute pharmaceuticals</p> <p>12 - ISO/WHO approval with GMP (Good Manufacturing Practice) certificate and COPP (Certificate of Pharmaceutical Product)</p>
New GPC Inc.	<p>Considered <i>substantially responsive</i> and satisfied all criteria.</p>
Health 2000	<p>The company was considered <i>substantially responsive</i> even though it was not evaluated on criterion 14, but it satisfied all the other criteria.</p>
Global Healthcare	<p>The company was considered <i>substantially responsive</i> even though it was not evaluated on criterion 6 and failed to satisfy criterion 14 (Statement of Warranty and Guarantee)</p>

4.4.0 **Annulment of 2017 annual tender for pharmaceuticals**

The NPTAB and GPHC officials informed the PPC that the 2017 annual tender for pharmaceuticals was annulled as a result of problems encountered with the annual tender for the medical supplies. The same officer of GPHC was responsible for preparing the evaluation documents for both tenders. The former Pharmaceutical Coordinator Ms. Anisa Khan was the officer at GPHC responsible for preparing the evaluation document for the tenders for Medical supplies and Pharmaceuticals

- 4.4.1 The GPHC officials reported to the PPC that the 2017 medical supplies tender was evaluated by the following persons: Mr. Sheik Amir (Chairman), Dr. Shamdeo Persaud (Member) and Ms. Nichelle DeRouch (Member).
- 4.4.2 The Assistant Director, Finance, Ms. Cumberbatch, informed the PPC that one of the evaluators, Ms. Nichelle DeRouch, issued a minority report with respect to the evaluation for tender for the medical supplies (see Appendix B5).
- 4.4.3 Mr. Amir informed the PPC that, in his capacity as “Chief Evaluator” and on the advice from his technical staff, he wrote NPTAB seeking advice regarding the treatment of the tender for medical supplies. Below is a verbatim extract of the letter from Mr. Amir to NPTAB dated November 16, 2016:

A preliminary evaluation of the tenders revealed that there was a discrepancy in the Bid Security that did not clearly state that the use of Insurance Coverage was no longer acceptable. As a consequence, several tenderers were disqualified, and this raised a grave concern about the manner in which the Bid Document was prepared in order to ensure a fair and transparent process

Additionally, one of the evaluators expressed concerns that one of the Bid Documents may have been tampered with, while in the possession of the Procurement Department of the Hospital. It was revealed that a Bank statement which was not previously there, during her perusal of the document, was later found to be in the document that was being reviewed by the evaluators.

In view of these matters, as Chief Evaluator I am hereby submitting a minority report of the evaluators. Also, I am requesting that the Tender Board give guidance on the way forward in order for the medical supplies to be procured at the earliest for the hospital.

- 4.4.4 The PPC noted that on November 4, 2016 the evaluation report for medical supplies was completed and signed by two of the three evaluators, namely, Mr. Sheik Amir and Dr. Shamdeo Persaud. Ms. Nichelle DeRouch on the same date issued a minority report indicating that she had declined to sign off on the evaluation report because the “*integrity of this process is questionable*” (see *Appendix B6*). Following this development, Dr.

Shamdeo Persaud on November 14, 2016 wrote to Mr. Amir, CEO (ag.), indicating to him that, based on certain observations he declined to sign off the evaluation of the tender. Mr. Amir on November 23, 2016 wrote to Mr. Wickham, Chairman, NPTAB declining to sign off on the evaluation report on the basis that a “*fair and transparent process is questionable*” (see *Appendix B7*).

4.4.5. In the PPC’s interview with the former Pharmaceutical Coordinator, Ms. Anisa Khan, she confirmed that she was responsible for reviewing and arranging the tender documents for the evaluators. Ms. Khan explained that, on review of the documents for the tender for medical supplies, she determined that there would be some problems with the evaluation and decided to engage the evaluator Ms. DeRouch who she knew to be meticulous and could have assisted. Ms. Khan stated that Ms. DeRouch expressed concerns about the preparation of the tender documents, which appeared to have caused some confusion over the issue of the bid security (insurance guarantee vs. bank guarantee). The result of which was that most of the suppliers would have been disqualified for the tender. Ms. Khan further stated that, after this discussion with Ms. DeRouch, she proceeded to complete the process for the evaluators to review the tender documents and complete their evaluation. Ms. Khan advised the PPC that, shortly after, she was off the job because of medical reasons and was not aware of any problems with the evaluation process. Ms. Khan claimed that she was never told that there was a problem with the evaluation of the tenders, but was later transferred from the unit, with no explanation.

4.4.6 The Chairman of NPTAB, by way of a letter dated January 9, 2017, informed the CEO (Ag.), Mr. Johnson of the annulment of the procurement process for pharmaceuticals and medical supplies, and recommended that the project be retendered (see *Appendix B8*).

4.5.0 **Restricted tender for 2017 annual supplies**

4.5.1 By way of a letter dated January 9, 2017, the CEO (Ag.), Allan Johnson, sought approval from the Chairman of NPTAB for restricted tendering for the annual supplies for 2017 (see *Appendix B9*). In his letter, Mr. Johnson, also requested that the tenders be closed on February 14, 2017 and identified the ten suppliers who were to be invited to participate in the tender. Attached to the request were new bidding documents for 15 lots with a total of 452 items to be supplied for the period March 1, 2017 to February 28, 2018. Bidders were required to obtain passes for the sixteen criteria listed in the Evaluation and Qualification Criteria to be considered “substantially responsive”. The referenced letter reads as follows:

The Georgetown Public Hospital Corporation is requesting to use the restrictive tendering method of procurement to procure Pharmaceuticals and Medical Supplies. We are requesting approval of the following shortlisted suppliers, namely:

1. New GPC
2. International Pharmaceutical Agency
3. Ansa McAL
4. Meditron
5. Alvin Rambajan

6. Global Healthcare Supplies Inc.
7. Massy Distribution Inc.
8. Health 2000 Inc.
9. K.D. Enterprise
10. Caribbean Medical Supplies Inc.

Further we hereby seek approval for the opening of this project on the 14th February 2017. Please see attached the tender document for use. Your approval of this document is also being sought.

4.6.0 GPHC Quarterly Meeting with suppliers

The GPHC held its first quarterly meeting for 2017 with suppliers on January 16, 2017 where the following matters were discussed:

- The media reports of drug shortages
- The timely delivery of pharmaceuticals and medical supplies
- Quality of items supplied
- Storage of items for GPHC
- The re-tendering for the Medical and Pharmaceutical Supplies for 2017, using the restricted method that was limited to suppliers who tendered in November 2016 for the open tender for 2017 annual supplies.

Suppliers attending the meeting raised several concerns they had about the tender process

Table 8: Persons attending GPHC's first 2017 quarterly meeting with suppliers

Name	Designation
Mr. Allan Johnson	Chief Executive Officer (ag.), GPHC
Mr. Ronald Charles	Director, Finance, Materials Management, GPHC
Mr. Mohamed Karimullah	Director, Finance, Finance Operations, GPHC
Ms. Karen Cumberbatch	Assistant Director, Finance, Materials Management, GPHC
Mr. Gerron Parker	Head (ag.), Expenditure Planning and Management Unit
Ms. June Barry	Manager Pharmacy
Ms. Merecia Blenman	Senior Pharmacist
Representatives of suppliers	
Ansa McAl K.D. Enterprises New GPC Inc. Citi Pharmaceuticals Agency Inc. Health 2000 (Guyana) Inc. Global Healthcare Supplies Inc. Massy Distribution Woodlands Hospital Vish Pharmacy International Pharmaceutical Agency Pharmagen International Inc. Chirosyn Discoveries Technologies Dr. Kamela Bemaal Meditron Caribbean Medical Supplies Inc.	

- 4.6.1 Mr. Allan Johnson, CEO (ag) of the GPHC, by way of letter dated January 24, 2017, wrote to suppliers, referring to the meeting of January 16, 2017 with the GPHC, where they were informed about the decision by NPTAB for the retendering for pharmaceutical and medical supplies using the restricted method. Only those suppliers who had participated in the annulled tender were to be invited to participate in the restricted tender. The letter further stated that this decision was taken, "*since it was observed that the integrity and transparency of the evaluation process was compromised*". The letters indicated that suppliers should purchase the new tender documents from the Finance Division of GPHC commencing Friday January 27, 2017. The opening was scheduled for February 14, 2017 at 09:00 hours at NPTAB. Letters were sent to the suppliers. New GPC, International Pharmaceutical Agency (IPA), Meditron, Global Healthcare Supplies Inc, Massy Distributions Inc, KD Enterprises, and Caribbean Medical Supplies Inc.
- 4.6.2 The PPC noted that some of the suppliers such as Alvin Rambajan, Health 2000 Inc. and ANSA McAL who had submitted bids in response to the annulled tender were not invited to participate in the restricted tender process even though the letter from NPTAB granting approval for the restricted tender included their names.
- 4.6.3 The Chairman of NPTAB, Mr. Wickham, by way of a letter dated January 30, 2017, granted approval for the GPHC to proceed with the restricted tender (see *Appendix B10*). A verbatim extract of the letter reads as follows:

With reference to your letter dated January 9th, 2017 the National Procurement and Tender Administration Board has granted approval for your agency to proceed with Restricted Tendering for the project at caption and for the following suppliers to be invited to bid for the project:

1. New GPC
2. International Pharmaceutical Agency
3. Ansa McAL
4. Meditron
5. Alvin Rambajan
6. Global Healthcare Supplies Inc.
7. Massy Distribution Inc.
8. Health 2000 Inc.
9. K.D. Enterprise
10. Caribbean Medical Supplies Inc.

4.6.4 The PPC observed that GPHC wrote suppliers about the launch of the restricted tender prior to receiving written approval from NPTAB. The approval from NPTAB was granted on January 30, 2017, but the GPHC wrote suppliers on January 24, 2017 notifying them of the launch of the restricted tender.

4.6.5 The PPC, in its interview with the NPTAB's officials, queried the approval of the restricted tender procedure for what was anticipated to be such a large value of pharmaceutical supplies being procured, given that the threshold most recently approved by Cabinet was merely GYD\$3 million. The NPTAB's officials were unable to provide a satisfactory response. The PPC has made detailed comments about this issue in the Conclusion and Recommendations sections of this report.

4.7.0 **Tender for Emergency Supplies**

4.7.1 The GPHC officials informed the PPC that, subsequent to the annulment of the annual tender and approval of the restricted tender for annual supplies, they became concerned that there would be a crisis with respect to shortages of pharmaceuticals at the hospital and decided that measures should be taken to acquire an interim, emergency supply of pharmaceuticals. The Assistant Director, Finance, Ms. Cumberbatch reported to the PPC that the pharmacy department had assisted with the development of a list of 287 drugs that were currently unavailable or likely to become unavailable within the hospital, prior to receipt of the 2017 annual supplies. This list catered for a six months' supply of pharmaceuticals, which included drugs that suppliers "had on hand" and those that were to be delivered by airfreight. The GPHC officials stated that they expected these supplies would fill the gap and be utilized until the annual supply was received. Ms. Cumberbatch informed the PPC that GPHC had obtained advice from NPTAB (Mr. Michael

DeYounge) to use the restricted procedure to ‘fast-track’ these supplies. She also stated that NPTAB had approved the tender documents.

- 4.7.2 The PPC noted that Mr. Allan Johnson, wrote the Chairman of NPTAB on February 1, 2017 seeking approval of the tender documents in respect of the restricted tendering for emergency pharmaceutical and medical supplies. The letter stated that this tender was being done because the GPHC anticipated that the annulment and retendering of the annual supplies would have resulted in severe shortages of pharmaceuticals and medical supplies.
- 4.7.3 The PPC was not provided with any documentation reflecting NPTAB’s approval of the tender documents for the emergency tender.
- 4.7.4 The GPHC reported to the PPC that a meeting was convened with suppliers on February 2, 2017, where it was explained that the meeting was being held in relation to an emergency pharmaceutical and medical supplies tender, which was expected to serve as an interim supply for the next six (6) months. The GPHC advised the suppliers that this was to ensure that adequate pharmaceutical and medical supplies would be available to the hospital until the restricted tender process for the annual supplies was completed and approved by Cabinet. They further advised the suppliers that they expected supplies to be received latest April 30, 2017 and these, therefore, should be in stock or ready to be air-freighted by the suppliers (Minutes of the meeting).

GPHC officials said that they were aware that it would cost more to airfreight the items. The suppliers were also told that the emergency list would not contain all the items included in the previously launched restricted tender, but it would comprise *emergency items* that suppliers had in stock or had ready to be air-freighted. The suppliers were further advised that both tenders would be opened on February 14, 2017 and that the tender documents were immediately available for purchase at the cost of \$5,000. (See Appendix B 11)

Table 9: Persons present at the meeting to discuss tender for the emergency supplies of pharmaceuticals

Name	Designation
Mr. Ronald Charles	Director, Finance, GPHC
Ms. Karen Cumberbatch	Assistant Director, Finance (Materials Management), GPHC
Ms Smita Tikaram	Pharmaceutical Coordinator, GPHC
Ms Kalawattie Datt-Singh Mr. Sunesh Maikoo	Representatives, Ansa McAI
Mr R. Ramcharitar Mr. D. Lovell	Representatives, New GPC Inc.
Ms. Malaika Persaud	Representative, Health 2000 (Guyana) Inc.
Mr. Vinish Persaud	Representative, Global Healthcare Supplies Inc.

Ms. Karen Connell Ms Ophelia Yhan	Representative, Massy Distribution
Ms Melinda Singh	Representative, IPA
Mr. A. Ali	Representative, Pharmagen International Inc.
Mr Kisson Dyalsingh	Representative, KD Enterprise
Ms Christine Profit	Representative, Meditron
Ms Angela Khemraj	Representative, Caribbean Medical Supplies

The GPHC officials stated that, while the process of the emergency tender was in progress, the Minister of Public Health, Honourable Volda Lawrence, convened two meetings with the GPHC senior management staff to discuss measures to address shortages of drugs at the hospital.

4.8.0 ***Meetings with the Minister of Public Health, Honourable Volda Lawrence.***

4.8.1 The GPHC officials and the Minister of Public Health informed the PPC that there were two meetings on February 3, 2017 at the GPHC with the Minister and GPHC's senior staff to discuss the shortage of drugs at the GPHC.

4.8.2 Present at the first meeting with the Minister were: CEO (ag), Mr. Allan Johnson; Directors of Finance, Mr. Mohamed Karimullah and Mr. Ronald Charles; Head of the Budget Planning Unit, Mr. Geron Parker; Pharmacy Manager, Mrs. Yvonne Bullen, the Minister's Assistant and Mr. John Adams, a representative from the Ministry of Public Health (MOPH).

4.8.3 ***Proceedings of First meeting with Minister of Public Health***

The GPHC officials reported that the Minister of Public Health expressed concern about the shortage of drugs at the GPHC and referred to a 'nil list' (drugs that were not in stock) that she later informed the PPC she had received from Mr. Johnson, CEO(ag). The GPHC officials further stated that the Minister wanted to know what actions were being taken by GPHC to address the ongoing shortages.

4.8.4 The GPHC officials stated that they informed the Minister about the "Emergency Tender" and the period for supply, which was April 1 to 30, 2017. The Assistant Director, Finance, stated that she provided the Minister with the list of the drugs, which was included in the tender documents of the emergency tender. The list was e-mailed, via her tablet.

4.8.5 The GPHC officials reported to the PPC that the Minister said that the delivery time for the pharmaceuticals being procured via the emergency tender was too long and requested that GPHC, by that afternoon, develop a plan that would result in supplies being received in a shorter period. GPHC officials reported that the Minister requested that the plan be made available by the next meeting, which was scheduled for 6 p.m. on the same day.

- 4.8.6 The GPHC officials told the PPC that they advised the Minister that they could check with their suppliers to ascertain what items of drugs were on-hand and immediately available. The officials also reported to the PPC that they also made a commitment to the Minister that they would check with the MMU of the Ministry of Health to find out what drugs could be obtained from that entity.
- 4.8.7 The PPC was informed that, the Minister also undertook to use the list of drugs provided by the Assistant Director, Finance, Ms. Cumberbatch, to check with PAHO about the availability of a special fund to assist in procuring drugs for the GPHC.
- 4.8.8 In his account of the discussions at the first meeting with the Minister, the CEO(ag) stated that he told the Minister that whatever procedure was agreed on to 'fast track' the pharmaceuticals 'will have to go to the tender board'. Mr. Johnson further stated that the Minister retorted by saying, 'she can make decisions; she is the Minister of Public Health and she was sent there to make decisions.'
- 4.8.9 Ms. Karen Cumberbatch, Assistant Finance Director, however, when asked if Mr. Johnson notified the Minister during the meeting held in the morning that the tender procedure should be used for 'fast tracking' procurement of the emergency pharmaceuticals, she stated, 'no'.
- 4.8.10 The PPC noted that the GPHC officials, contradicted each other in their account of whether, there was at that meeting, a discussion about the requirement for NPTAB's approval of the proposed process for 'fast tracking' the pharmaceuticals.
- 4.8.11 The GPHC officials reported that the Director Finance, Mr. Ronald Charles, undertook to lead the process for determining the plan and executing the relevant actions to procure the emergency drugs within the shortest possible time-frame, as requested by the Minister.
- 4.8.12 The Minister in her interview with the PPC stated that, during the meeting she emphasized to GPHC that this emergency purchase should be restricted to emergency drugs only and not items such as ointments. The Minister disputed the GPHC's claim that she was informed about the emergency tender and only recalled later receiving a hard copy of the list of pharmaceuticals to be procured. She further stated that she only became aware of the emergency tender when reading a draft report provided to her by the GPHC Board. The Minister said that she never instructed the GPHC officials to breach the procurement rules and bypass the NPTAB and Cabinet because, in her capacity as Chairman of the Public Accounts Committee of Parliament for many years, she was fully aware that this should not be done. The Minister said that she had expected the management of GPHC to follow the procurement procedures.

4.9.0 ***Actions taken immediately after the first meeting with the Minister (Work Plan and Spreadsheet)***

4.9.1 Mr. Charles, Director Finance, stated that he organized a small team comprising himself, Ms. Karen Cumberbatch, Assistant Director, Finance and Mr. Gerron Parker, Head, Budget Planning Unit to call the suppliers of pharmaceuticals to ascertain the drugs they had on-hand, using the same list for the emergency tender that was launched the day before, that is, February 2, 2017. He also confirmed that he had prepared a work plan to show how these emergency supplies would be acquired with receipt in full by the week of March 17, 2017 (see Appendix B12). The work plan contrasted with the procedure for fast tracking the items to that of an open tender process and the related time frames.

4.10.0 ***Proceedings of Second meeting with the Minister of Public Health***

The GPHC officials confirmed that they attended a second meeting at 7 p.m. on February 3, 2017 with the Minister of Public Health, who introduced Mr. O’Neil Atkins, Clinical Pharmacist attached to the Ministry of Public Health. They also stated that the , the Minister informed them that Mr. Atkins would be her representative on the GPHC’s team responsible for the procurement of emergency drugs and would work with them to ensure that the drugs being procured were of an emergency nature. The GPHC officials stated that the Minister also identified Mr. Atkins as her point person to facilitate communication between the GPHC and the Minister on this issue.

4.10.1 The PPC was informed that, at this meeting, Mr. Ronald Charles, Finance Director, presented a work plan for procurement of the emergency drugs and a spreadsheet showing the suppliers who had submitted information in response to the calls made by GPHC during the day. The PPC noted that the work plan, among other steps, catered for “evaluation and approval”.

4.10.2 Mr. Atkins in his interview with the PPC stated that he had expertise that allowed him to identify emergency drugs, critical drugs and essential drugs. He further stated that his specific role was to work with the GPHC team to ensure that they procured what was needed.

4.10.3 The CEO (ag.), Mr. Allan Johnson, confirmed that he was fully aware of all the arrangements made to pursue the procurement of emergency drugs and had agreed that the team identified would execute the plan provided by Mr. Charles at the second meeting.

4.10.4 Mr. Allan Johnson further stated to the PPC that the plan prepared by Mr. Charles was cleared with him even though he was aware that the process of calling suppliers for quotations for such a large value of procurement contravened the Act. He confirmed that he was aware of Mr. Atkins’ role to work with the team and stated that he could not comment on the details of the process to identify the suppliers, since he was not directly involved in the activities leading up to the allocations to the various suppliers.

4.10.5 Ms. Cumberbatch reported to the PPC that she had advised Mr. Atkins and Mr. Charles to prepare an addendum to change the delivery date of supplies in the existing tender for supplies launched, February 2nd, since it had already been requested that the items not on-hand should be air-freighted. She further stated that Mr. Charles ignored her recommendation and advised the CEO (ag.) to cancel the emergency tender; he subsequently used the sole source method to procure the emergency drugs.

4.11.0 COMPILATION OF SPREADSHEET

4.11.1 The Assistant Finance, Director, Ms. Cumberbatch, told the Commission that her role was limited to calling suppliers, specifically Ansa McAl, for quotations and forwarding them to the Director, Finance, Mr. Ronald Charles. She also explained that Mr. Charles took full responsibility for preparing the spreadsheet with the information collected, while the list of items and suppliers was determined by Mr. Charles and Mr. Atkins. In her interview, Ms. Cumberbatch explained to the PPC that she was uncomfortable with the sole-sourcing method proposed. She also stated that her preference for using the Tender Board was most likely responsible for her exclusion from the final process of identifying the suppliers who were ultimately awarded contracts.

4.11.2 Ms. Cumberbatch further stated that most of the quotations were received directly by the Materials Management Unit (MMU) of GPHC and forwarded to Mr. Charles. Ms. Cumberbatch informed the PPC that she was responsible for obtaining quotations from ANSA McAL which were forwarded to Mr. Charles and Ms. Tikaram, the Pharmaceutical Coordinator who was also assisting in obtaining information from the suppliers. The quotations were received via e-mails and fax.

4.11.3 Mr. Charles, Director Finance, informed the PPC that the suppliers were asked to provide quotes for items listed in the emergency tender documents they had purchased. He told the PPC that the list was not sent to suppliers since they had it already. The suppliers were told that the emergency tender would be cancelled. They were also advised to use the same list to identify the items they had on-hand or could provide in a short time.(see Appendix (C1))

4.11.4 Mr. Charles also confirmed that he had prepared a spreadsheet with the information submitted by the suppliers. The spreadsheet comprised the items to be supplied and the time -frame for delivery of the items.

4.11.5 Ms. Karen Cumberbatch reported that the spreadsheet allocating the awards to the four (4) suppliers was prepared by Mr. Atkins and Mr. Charles and that she only saw it a few days before the actual procurement. She stated that she, therefore, had no role in

preparing the spreadsheet or determining how the allocations should have been done. She confirmed that she was asked to process the procurement, which involved merely calling the suppliers to check the expiry dates for the items that were identified to be supplied.

4.11.6 When asked whether any “*strict competitive analysis*” was done based on the quotations received, Ms. Cumberbatch said she never saw the analysis, but Mr. Atkins was in possession of the analysis for New GPC and ANSA McA1 and “*technically decided who to go with*”.

4.11.7 In his interview with the PPC, Mr. Atkins stated that his role was to identify the emergency drugs and that he had consistently advised GPHC to follow the relevant procedures and ensure that “due process” was observed. He said that his responsibility was to ensure that GPHC procured only the drugs that were needed, that is, emergency drugs and that it was Mr. Ronald Charles, the Finance Director who had prepared the spreadsheet, which reflected the items to be supplied, prices and suppliers.

4.12.0 **Annulment of emergency pharmaceutical and medical supplies tenders**

4.12.1 The CEO (ag.) wrote the Chairman of NPTAB on February 9, 2017 requesting an annulment of the emergency pharmaceutical and medical supplies tender (see *Appendix A13*). Below is a verbatim extract from the letter.

Following a meeting with the Honourable Minister Volda Lawrence on the 3rd February 2017 at the Georgetown Public GPHC Corporation (GPHC), she recommended that we take a different approach towards sourcing pharmaceuticals and medical supplies, which will require considerably less time, given the serious impact this shortage will have on the lives of patients seeking care at this institution.

As a consequence, GPHC is seeking the approval of the National Procurement & Tender Administration Board to annul the emergency and pharmaceutical and medical supplies tender schedule to be opened on Tuesday 14th February 2017, since we intend to utilize the sole sourcing method to fast track these urgent supplies.

4.12.2 The PPC noted NPTAB’s time stamp on the letter indicating that it was received by the NPTAB Secretariat on February 13, 2017. No documentation was found indicating that NPTAB had approved this request. The Chairman of NPTAB informed the PPC that over a relatively short period of a few days, he had received several requests from GPHC and was attempting to address them in an orderly manner.

4.12.3 The PPC noted that, notwithstanding the absence of an approval from NPTAB, Mr. Johnson, by way of a letter dated February 14, 2017, wrote suppliers notifying them of the annulment of the emergency tenders for pharmaceuticals and medical supplies, which were scheduled to be opened on February 14, 2017 at the National Procurement and Tender Administration Board (NPTAB). The suppliers to whom letters were sent were:

Ansa McAl, Caribbean Medical Suppliers Inc, Global Healthcare Supplies Inc., Health 2000 (Guyana) Inc, International Pharmaceutical Agency, KD Enterprise, Meditron Inc., and New GPC Inc.

4.13.0 LETTERS OF AWARD TO SUPPLIERS

- 4.13.1 Ms. Cumberbatch, Assistant Finance Director, reported to the PPC that the procurement was at a standstill for some time since Mr. Charles had instructed her not to proceed unless the Minister provided a letter stating that they should officially go ahead. She further reported that during this period she was constantly contacted by Mr. O'Neil Atkins and suppliers for an update on the emergency procurement. She said that Mr. Atkins called and told her that the Minister had grown concerned and that they should go ahead with the procurement since he had spoken to the CEO (ag.) and Mr. Charles "*for them to go ahead*".
- 4.13.2 The Finance Director, Mr. Ronald Charles, confirmed that he updated the spreadsheet with the prices received from the suppliers and submitted it to Mr. O'Neil Atkins. Mr. Charles also informed the PPC that the updated spreadsheet contained the prices quoted by the suppliers for various items but it did not identify the items to be procured from each supplier. He proceeded to explain that Mr. Atkins was expected to take the spreadsheet to the Minister, but was not sure if this was ever done.
- 4.13.3 The Finance Director, Mr. Charles, told the PPC that he was away from GPHC from February 13 to February 17, 2017 because he had to attend a workshop organized by PAHO. Mr. Charles said he met Mr. O'Neil Atkins at the workshop and was told by him that they needed to proceed with the procurement. He further stated that Mr. Atkins told him that he wished to contact Ms. Karen Cumberbatch. Mr. Charles confirmed that the list was not analyzed to the point of identifying who should be the supplier for individual items. He stated that he had informed Mr. Atkins that no analysis was done. Mr. Charles reported to the PPC that Ms. Cumberbatch subsequently called for the spreadsheet he had given to Mr. Atkins. Mr. Charles also told the PPC that he later attempted to analyze the list further by cost before it was emailed to Ms. Cumberbatch and his involvement in the procurement ended at that point.
- 4.13.4 Mr. Ronald Charles reported that he met Ms. Cumberbatch on Friday, February 10, 2017 when she indicated to him that she, 'got a call from Mr. Atkins saying that they should proceed to buy the items'. Mr. Charles stated, "*I cannot remember exactly, but she said that he was allegedly in the presence of the Minister*". Mr. Charles informed the PPC that he could not confirm that Mr. Atkins was in the presence of the Minister. The PPC noted an email from Mr. Charles to Ms. Cumberbatch stating, "*take the necessary action*".

Attached to the email was a spreadsheet which identified the items with the prices quoted by suppliers.

4.13.5 The PPC noted that the spreadsheet reflected information from New GPC, Global Health, ChiroSyn and Health 2000 only for items they had “*on-hand*”, while for Ansa McAl the items were described as “*in-transit*”. With respect to Massy, the list did not indicate whether the items were *on-hand* or *in-transit*. When questioned about the differences in the information reflected in the spreadsheet, Mr. Charles said that a new time line of two weeks was established. He further explained that the new time line was not set by the Minister of Public Health, but was in relation to a commitment given by ANSA McAL to deliver the items within that time. Specifically, Mr. Charles stated the following:

... in terms of the new time line, that came up because ANSA McAL Trading indicated that they could supply within two weeks and a confirmation was given.

4.13.6 In response to questions as to whether the other suppliers were asked to deliver the supplies within the same time frame, Mr. Charles stated:

They (New GPC) had given me some items and I had spoken to Mr. Atkins in terms of how we should proceed with that and he indicated that, at that point in time, he just wanted the one on-hand because he was not too keen in terms of ...he wanted the drugs in the country and he did not want to disappoint the Minister. That was what he indicated to me.

4.13.7 Ms. Cumberbatch informed the PPC that after several attempts to reach Mr. Charles, who was attending a PAHO workshop, she related to the CEO (ag.) what Mr. Atkins had said and in the process informed him that they should prepare letters to be sent to the suppliers. The CEO (ag.) then orally instructed her to prepare the letters based on the quantities in Mr. Charles’ spreadsheet. She stated that she prepared the letters, which were signed by Mr. Johnson and sent to the suppliers with the quotations attached.

4.13.8 The PPC noted that Mr. Johnson, CEO (Ag.), signed letters dated February 16, 2017 addressed to four (4) suppliers (New GPC, Ansa McAl, Global Health, ChiroSyn) notifying them of the GPHC’s decision to procure ‘emergency supplies’ of pharmaceuticals from the respective suppliers. Attached to each letter was the list of pharmaceuticals required, for which the supplier had quoted. The letter asked the suppliers to indicate their agreement in writing to supply the attached list of items at the prices indicated within the time frame required (fourteen working days of receipt of the said letter).

Table 10: The contract values for ‘emergency’ pharmaceuticals procured by GPHC

Suppliers	Total \$
Ansa McAl	605,962,200

New GPC	20,888,610
Chirosyn	2,138,925
Health 2000	2,923,920

Source: Georgetown Public Hospital Corporation

4.13.9 Mr. Charles told the PPC that, on his return from the PAHO workshop the following Monday (February 20, 2017), the CEO told him that, “*we need to discuss the whole procurement because he was uncomfortable and he wanted to get some advice from the Tender Board. So, myself, Ms. Cumberbatch and the Head of Budget went across because we had some other engagement at the Ministry of Finance, and we went across to the Tender Board. When she and Mr. Parker went to Ms. Lawrence, they were discussing the matter.*” The PPC noted that this was after the suppliers had already been notified of their awards and had commenced delivery of the pharmaceuticals.

4.14.0 Request for approval of awards

4.14.1 The PPC noted four letters signed by Mr. Johnson to the Chairman of NPTAB seeking approval for procurement of emergency pharmaceuticals from the four (4) suppliers. Each letter, dated February 28, 2017, was similarly worded, but varied only in relation to the values of the pharmaceuticals being procured from the respective suppliers. The letters specifically stated that these supplies were authorized by the Minister of Public Health (see *Appendix B14*). The letters also included a statement “*see attached*”. Ms. Cumberbatch later reported to the PPC that she had drafted these letters and the words ‘*see attached*’ were in fact referring to the letter previously sent to NPTAB, requesting cancellation of the emergency tender. This letter, which had requested annulment of the emergency tender, had also signaled GPHC’s intent to sole source the pharmaceuticals.

4.14.2 The PPC noted that this request for NPTAB’s approval was made twelve (12) days after the GPHC had notified the suppliers of the awards in respect of the emergency purchases of pharmaceuticals.

4.14.3 The Chairman of NPTAB stated to the PPC that he had received the letters from Mr. Johnson at various times over several days, but became alarmed when he received the request for the award of \$605 million to Ansa McAl, primarily because of the significant value and absence of any justification. Quoted hereunder is an extract of Mr. Wickham’s statement:

.... Well, that transaction is on hold because of concerns we had. There was no justification for that sent to us, at the time, with the request letter and that was a concern. But around the same time, we also had three other smaller requests for sole-sourcing. So, at that stage, I started to wonder what was going on because, given that we had the emergency supply which was withdrawn, then there was one that was pending – a big one that was pending evaluation - and now we are getting a sole-source...

They were: Health 2000 – \$2.9 million; ChiroSyn Discovery Technologies Inc. – \$2.1 million; New Guyana Pharmaceutical

Corporation (New GPC) – \$20.8 million; and the ANSA McAL Trading Limited – \$605 million. They all did not come at once; they came to us, more or less, one after the other. By the time the one for \$605 million landed, it raised a lot of eyebrows.

- 4.14.4 The Minister of Public Health, in her interview with the PPC, stated that she did not give approval for the transactions as executed by the GPHC. She stated that she made a request for the GPHC to ensure that they acquired ‘emergency drugs’ in the shortest possible time to address the current shortages of pharmaceuticals at the hospital. She further stated that she was not aware of the emergency procurement of drugs and was only informed of this through her perusal of a draft report received from the Board of GPHC.
- 4.14.5 The Minister also informed the PPC that the Chairman of the GPHC Board, on March 6, 2017 had brought her a letter from Ms. Cumberbatch, Assistant Director, Finance, GPHC which sought her approval of the emergency purchase. She said that she did not sign it since she was aware that it was not her role to approve the purchase and expected that the Management of the hospital would have followed their prescribed procedures for procurement of goods and services.
- 4.14.6 The Chairman of the GPHC Board, Ms. Kessaundra Alves, in her interview with the PPC, stated that neither she nor the Board played any role in the emergency procurement. She confirmed that the Board was installed on the February 22, 2017 and had its first meeting on that date. She informed the PPC that the CEO (ag.), Mr. Allan Johnson, attended this first meeting, but the Board was not informed of the emergency procurement at the meeting. She said that on March 6, 2017 she unwittingly delivered to the Honourable Minister of Public Health, Ms. Volda Lawrence, an envelope purportedly containing a document related to the emergency procurement. She further stated that on that day she was attending a meeting with staff of the GPHC, including Ms. Karen Cumberbatch, who, at the end of the meeting, briefly explained to her that GPHC had procured some drugs and that they needed a letter signed by the Honourable Minister indicating her approval of the purchase.
- 4.14.7 The Chairman further stated that Ms. Cumberbatch asked her to deliver an envelope to the Minister with whom she was having a meeting that afternoon and for her to tell the Minister about the need for this letter.
- 4.14.8 The Chairman of the GPHC Board reported to the PPC, that at the meeting with the Minister, she handed over the package and informed the Minister it was from Ms. Cumberbatch who had informed her that the GPHC had procured some drugs and that they needed a signed letter from her approving the purchase. She handed the package over to the Minister who opened the package and said the following: “what is this?” and “where are the documents in support?” The Chairman stated that she told the Minister she did not know anything about the contents of the package and repeated what Ms. Cumberbatch had told her. She further stated that the Minister shook her head and put the package aside.

- 4.14.9 The Chairman, GPHC Board, further informed the PPC that on March 7, 2017 at the first meeting of the Finance and Audit Committee (F&AC) of the Board, the Chair of that committee, Ms. Sonia Roopnauth, asked the Finance Directors, Mr. Mohamed Karimullah and Mr. Ronald Charles whether there were any pressing finance issues that should be discussed. It was then that Mr. Ronald Charles disclosed that GPHC had procured more than \$600 million in pharmaceuticals without using any justifiable procurement procedure. The Chairman, GPHC Board, Ms. Alves, further stated that “it was the following day the emergency procurement ‘fiasco’ appeared in the newspapers.”
- 4.14.10 The Assistant Director, Finance, Ms. Karen Cumberbatch, subsequently reported to the PPC that the package sent to the Minister contained only a copy of the letter to the Chairman, NPTAB, requesting approval of the GPHC’s procurement of pharmaceuticals using the sole source procedure. She further stated that, attached to the letter was a spreadsheet identifying the awards to the suppliers. Ms. Cumberbatch stated that she was following the GPHC’s practice to send a copy of the procuring documents submitted to NPTAB for Cabinet’s ‘no objection’ to the Minister to ensure that the Minister would be prepared to respond to any questions that might arise at Cabinet.

4.15.0 Receipt of emergency supplies by GPHC

- 4.15.1 The GPHC officials reported that most of the pharmaceutical supplies ordered from Ansa McAl, were delivered, but some were stored at Ansa McAl’s bond because GPHC did not have adequate storage facilities to accommodate all the pharmaceuticals purchased.

The GPHC officials stated that New GPC had delivered 100%; ChiroSyn Discovery Technologies Inc. 100%; Global Healthcare 2000 Incorporated 100%. It was reported that ChiroSyn Discovery Technologies Inc. and Global Healthcare 2000 Incorporated were required to supply just a small number of items, about 10 in total. GPHC reported that ANSA McAL had delivered about 85% of the items ordered, but that the narcotics had not been supplied since these items could not be transported by air and were, therefore, being shipped by sea.

The PPC’s review of the delivery notes at the GPHC reflected receipts of less than 50% of the items that ANSA McAl was contracted to supply within the fourteen (14) days, while the New GPC delivered 99 percent and the other suppliers fulfilled their contractual obligations by delivering all the items before the April 30th deadline (see *table II*).

Table 11: Values of ‘emergency’ pharmaceuticals delivered by suppliers to GPHC

Company	Total value of contract	Value of items delivered	% delivered
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Ansa McAl	\$605,962,200	\$269,699,785	45
New GPC	\$20,888,610	\$20,769,110	99
Global Health	-	-	-
Chirosyn	\$2,138,925	\$2,138,925	100
Massy	-	-	-
Health 2000	\$2,923,920	\$2,924,160	100

Source: Georgetown Public Hospital Corporation

4.16 Audit findings of other purchases of pharmaceuticals

4.16.1 During 2016 the GPHC executed numerous procurement transactions in respect of pharmaceuticals, which amounted to \$952,034,591. A review of all payments made by the GPHC during this period, and an examination of payments vouchers and other related documentation, identified 565 transactions executed during 2016 outside of the annual tender, of which 375 transactions (valued at \$31.7 million) were approved by the CEO, 104 transactions (valued at \$84.8 million) were approved at the level of the tender committee of GPHC, and 83 transactions (valued at \$741 million) were processed through the NPTAB (see *table 12*).

**Table 12: GPHC procurement of pharmaceuticals,
Jan. 2016 – Dec 2016**

Method	Limits	Authority	2016	
			No.	Value
One quote	Below \$150,000	CEO's limit	330	\$22,555,550
Three quotes	Above \$150,000 - \$250,000		45	\$9,154,331
	\$250,000 - \$1,500,000	Agency Tender Board	104	\$84,791,178
	Above \$1,500,000	NPTAB	83	\$740,989,739
Refunds			3	(\$214,303)
Sub- total			565	\$857,276,495
Amount expended through annual tender			37	\$94,758,473
Total amount expended on Pharmaceuticals for 2016			602	\$952,034,591

Source: Georgetown Public Hospital Corporation

4.16.2 The PPC noted that the GPHC has a functioning tender committee, which approves procurement transactions valued at \$250,000 to \$1,500,000 even though an agency tender board has not been formally appointed by NPTAB, as stipulated in the Procurement Regulations. However, Mr. Sheik Amir, CEO (ag.), by way of letter dated June 3, 2016,

had requested approval from the Chairman of NPTAB for establishment of a tender board for the hospital. A verbatim extract of the referenced letter is provided below:

Attached to the is a draft proposal from the Georgetown Public Hospital Corporation to set up its own internal Tender Board, utilizing the new threshold limits as set out in the Procurement Act, Regulation No. 2 of 2016.

Furthermore, the Corporation is seeking consideration for an increase in the threshold limit for Goods to be raised to eight million (\$8M), similar to that of the Regional Tender Boards. This is because of the precarious position that the Hospital tends to find itself in whatever expensive, emergency, pharmaceutical supplies are required, such as immunoglobulin. In a recent case, five million dollars was required to procure this drug for a single patient; however, the hospital did not stock large quantities of it, due to the rarity of its use and high cost.

Currently, valuable time is lost due to the lengthier process of requiring the approval from the National Board and this is the difference between saving lives, if this process is done at a local level. In another example, a patient family was forced to procure the above-mentioned drug, given the time it would have taken the hospital to procure it in the existing framework. If this patient family could not have afforded the cost of the treatment, we are forced to witness the deterioration of that patient, knowing that something could have been done.

Hence, it was an important step towards, improving the procurement process and system if these requests are favourably considered, since it will help ultimately to improve our chances of realizing our objective.

Thank you and looking forward for your usual cooperation.

The Chairman, NPTAB stated to the PPC that no action had been taken to establish a tender board for the GPHC because there was a lack of confidence in the GPHC's ability to effectively manage its procurement.

4.17.0 *Other observations.*

4.17.1 During the past two years the GPHC did not have a functioning Board for a period of four months. The previous Board, headed by Dr. Max Hanoman, was terminated in November 2016 before serving a full term. The new Board was appointed to serve from February 1, 2017, but did not start functioning officially until February 22, 2017. Prior to

the establishment of the Board headed by Dr. Hanoman, there was also a period when no Board was in place.

- 4.17.2 Management and leadership at the GPHC fluctuated over several years. The substantive CEO Mr. Khan, was sent on leave with consequent rotation of the persons who acted as CEO between 2016 and 2017. Mr. Allan Johnson acted for a major part of the time, while Mr. Amir acted during his absence. The institution also 'had two finance directors; Mr. Karimullah and Mr. Charles. The latter was appointed substantively to the position of Finance Director, while Mr. Karimullah was terminated. However, Mr. Karimullah was returned to his substantive position at the GPHC after a successful legal challenge of his termination, resulting in two Directors of Finance at the GPHC. Subsequently, Mr. Charles, an accountant, was assigned to oversee procurement, even though he had no training and experience in this specialized area.

5. CONCLUSIONS

The PPC conducted this investigation pursuant to the powers vested in it by Article 212AA (1) of the Constitution and arrived at the following considered conclusions:

5.1.0 Shortages of Drugs at GPHC

Throughout 2016 and the first two months of 2017, the GPHC was plagued by shortages of pharmaceuticals due to several issues, including;

- 1) Late award of contracts for 2016 annual supplies of pharmaceuticals
- 2) Inaccurate quantification of pharmaceutical supplies for both 2016 and 2017
- 3) Outdated Formulary due to infrequent meeting of the Therapeutic and Medical Committee.
- 4) Delayed launch of tender for 2017 annual supplies
- 5) Annulment of open tender for 2017 annual supplies (poor evaluation practices)
- 6) Late launch of restricted tender for 2017 annual supplies
- 7) Some contracts for 2016 annual supplies not fulfilled
- 8) Late deliveries of 2016 annual supplies
- 9) Ad hoc loans of pharmaceuticals to Regional hospitals because of critical shortages at those institutions. (Ministry of Public Health was also experiencing similar problems with procurement of pharmaceuticals).

- 5.1.1 The PPC concluded that the shortage of drugs at the GPHC during February 2017 was caused by a combination of the factors listed above. No information was presented to the PPC to support the contention that the shortage was artificial or engineered to facilitate the subsequent sole sourcing of emergency supplies. One major issue that impacted the availability of drugs at the GPHC during the 2016/2017 period was the inaccurate quantification of drugs procured for the 2016 annual supplies. This situation was compounded by late and short deliveries after contracts were awarded for that year only at the end of June 2016, with a delivery period of three to six months. GPHC made numerous ad hoc purchases of pharmaceuticals whose total value was five(5) times that of the 2016 annual tender.

5.1.2 The length of time taken to complete the tender process for the 2017 annual supplies was similar to that of 2016 and resulted from the same pattern of errors committed in 2016. Starting with the inaccurate quantification of needs in August 2016, contracts for the 2017 supplies were finally awarded at the end of June 2017. The evaluation of tenders process, which should generally last no longer than one month, endured from February 14, 2017 to June 30, 2017. In this situation the purchase of the emergency drugs would have served to address the shortages anticipated pending receipt of the annual supplies.

5.2.0 **Breach of the Procurement Act**

5.2.1 The action taken by Mr. Allan Johnson, former CEO(ag) GPHC to write suppliers informing them of awards made for them to supply pharmaceuticals to a total value of G\$631M, without obtaining the requisite review of the NPTAB and 'No Objection' from Cabinet, was in breach of Sections 17(1) and 25(2) of the Procurement Act. The CEO was aware that he had breached the Act because he subsequently sought to obtain retroactive approval of his actions, even as the GPHC started receiving the supplies ordered.

5.2.2 The decision to annul the emergency tender scheduled to be opened on February 14th, demonstrated that the GPHC team did not fully examine all options available to achieve the objective of 'fast tracking' the emergency drugs. The plan approved by Mr. Allan Johnson the then CEO(ag), and provided to the Minister of Public Health, was ill-advised and demonstrated lack of knowledge of procurement generally, the Procurement Act and Regulations governing procuring entities.

5.2.3 The request made by the Minister of Public Health for GPHC to 'fast track' the emergency drugs could have been addressed using an addendum to the emergency tender already launched on February 2, 2017. GPHC could have identified the emergency drugs needed in terms of type, amounts and time-frame for supply, and thus should have been able to extract from the list of 287 items already identified for the emergency tender, and asked the suppliers to bid accordingly. The assignment of the clinical pharmacist Mr. Oneil Atkins to the GPHC team was indented to assist this effort of identifying the extracted list.

5.2.4 The GPHC, nevertheless, took the decision to annul the emergency tender in its entirety and sole source the full number and quantity of drugs on the list comprising the emergency tender.

5.2.5 The CEO (ag) wrote the Chairman, NPTAB informing him of the annulment of the emergency tender and his intention to sole source the drugs. This course of action was seemingly guided by the experience of the length of time taken to complete the process for evaluation of tenders and award of contracts. Notably, GPHC did not follow the

prescribed procedure for sole sourcing of the supplies, which required them to write NPTAB with the requisite justification for their request. Further, and most importantly, GPHC ultimately procured a six months' supply of pharmaceuticals and not a supply of 'emergency drugs', which the Minister of Public Health claimed she had instructed them to procure, using a mechanism to fast track their delivery. In effect, GPHC, using the sole source procedure, procured the same list of pharmaceuticals that had comprised the emergency tender, which was a six months supply of a mix of routine, emergency and critical drugs.

5.2.6 It is clear that GPHC should not have annulled the emergency tender, which was for a six months' supply of drugs expected to be received over the period 1st to 30th April. These supplies comprised drugs not available at February 2, 2017 and those expected to become unavailable within the short term, but not restricted to emergency drugs. Since GPHC had already launched this tender to ensure receipt of supplies from April 1, 2017, they could have addressed the request made by the Minister of Public Health to "fast track" the emergency drugs by procuring, using the single source method, emergency drugs needed just for the immediate period before April 1. It was the practice, anyway, for GPHC to regularly single source both pharmaceuticals and medical supplies valued at amounts below the threshold requiring review by NPTAB or Cabinet. This approach would have most likely resulted in significantly reduced expenditure. The process would have been more fair and transparent, since the selection of the supplier would have been based on ability to supply the drugs needed in the shortest possible time.

5.2.7 The basis for the award to Ansa McAl was not clearly established by the GPHC officials, as the statement in Mr. Johnson's letter to NPTAB that GPHC could only obtain those pharmaceuticals from that particular supplier was not factual. The justification could not be the time-frame for supply because the other suppliers were not requested to indicate the shortest time for supply of all the pharmaceuticals on the list.

5.2.8 In sourcing the bulk of the drugs from Ansa McAl, the GPHC paid premium prices for branded drugs, even though it is the Government's policy to procure generic drugs at a lower cost. Two other suppliers IPA and New GPC Inc. contended that they could have supplied the same pharmaceuticals at much lower prices, saving the GPHC in excess of G\$200M, but IPA had ongoing issues with certification from the Government Food and Drugs Department and, since New GPC routinely sourced their drugs from India, it was concluded that their delivery time would have been too long to meet the 'fast tracking' requirements.

5.2.9 The CEO (ag.), Mr. Allan Johnson, allowed the staff of the GPHC and Mr. Oneil Atkins, the clinical pharmacist attached to the Ministry of Public Health, to take control of the activities leading up to the awards to the suppliers. He only participated in the two meetings with the Minister of Public Health and the senior staff of GPHC, leaving the Director Finance, Mr. Ronald Charles to manage the process. Mr. Charles who advised Mr. Johnson to annul the 2017 emergency tender and use the single source procedure to purchase the emergency drugs subsequently effectively removed himself from the process when he chose to attend the PAHO Workshop instead of concluding the assignment that he

undertook to lead. The CEO acted in breach of the Procurement Act when he awarded contracts to the suppliers prior to seeking the required approval of NPTAB and 'no objection' of Cabinet. The CEO (ag.) informed the PPC that he made the decision to write the suppliers, awarding them the contracts, on the advice of the Assistant Director, Finance, Ms. Karen Cumberbatch who had informed him that Mr. O'Neil Atkins took the decision.

5.2.10 The CEO (ag) Mr Johnson, 12 days after concluding the awards to the suppliers wrote the Chairman of NPTAB seeking retroactive approval for the emergency procurement. In his letter, the CEO (ag.) indicated that the Minister of Public Health authorized the emergency supplies. However, he did not provide any documentation to support his claim. It should be noted, however, that the Minister's authorization, had it been given, could have only served to bolster GPHC's justification for using the single source procedure, and could not have provided approval to breach the procedures.

5.2.11 The GPHC has already accepted and put into use the pharmaceuticals received from the four selected suppliers from whom the emergency drugs were single sourced and is, therefore, now indebted to these entities even though the requisite approval to make these purchases was not received from the relevant authorities.

5.3.0 The extent of involvement of the Minister of Public Health in the procurement of the emergency drugs by GPHC.

5.3.1 The Minister of Public Health, by all accounts, was made aware of the emergency tender and concluding that the timeframe for delivery was too long, instructed the GPHC to 'fast track' the procurement of emergency drugs as a means of assuaging the acknowledged, continuing shortage of these items at the hospital.

5.3.2 The PPC was not presented with any information which indicated that the Minister instructed the GPHC to breach the Procurement Act. Approval to 'fast track' does not translate to 'bypass' the NPTAB. The GPHC was asked to devise a plan to 'fast track' the emergency drugs and they provided a plan that reflected a delivery period of two weeks for the drugs. The Minister's approval related to her instruction for them to present a plan as to how they could bring in emergency drugs in the shortest possible time. The sole source method that they ultimately adopted was the fastest means of achieving this because it avoids a tender and evaluation process.

5.3.3 The GPHC officials' intention to sole source the emergency drugs was conveyed to the NPTAB, but they did not follow through with the established procedure for sole sourcing supplies and, thus, breached the Act by making awards to the suppliers prior to receiving NPTAB's approval and Cabinet's "No objection"

5.3.4 The PPC was not presented with any information which indicated that the Minister was informed by the GPHC officials that they had made the awards to the suppliers without seeking the approval of NPTAB and Cabinet.

5.3.5 The Minister assigned Mr. Oneil Atkins to the GPHC team specifically to identify the emergency drugs needed and not to select and contract suppliers. The GPHC officials ultimately made the decision to engage the four suppliers who were awarded contracts to supply the hospital with drugs.

5.4.0 Other breaches of the Procurement Act by GPHC

5.4.1 The GPHC also breached Section 26(1) of the Procurement Act in their use of the restricted tender procedure to purchase the 2017 annual supplies. This breach was committed with the full approval of the Chairman of the NPTAB. GPHC and NPTAB have apparently misinterpreted the Procurement Act in respect of the application of the restricted tender procedure in the procurement of goods and services. The request for restricted tendering was made even though the anticipated values of the tenders exceeded the thresholds for this procurement procedure as set out in the Cabinet Decision dated January 26th 2016. Based on this Cabinet decision, for entities such as the GPHC, the restricted tendering process should not be used to procure goods and services whose values exceed the threshold of G\$3 million.

5.4.2 The Chairman of NPTAB gave approval for GPHC to use the restricted tender procedure to procure the 2017 annual supplies and the subsequent six months' emergency supplies, even though it was anticipated that the values for both tenders would have significantly exceeded the threshold of G\$3M applicable to GPHC purchases of goods and services. A formal complaint was made to NPTAB and GPHC by the New GPC about the annulment of the annual tender for 2017 supplies and subsequent launch of a restricted tender for the same supplies. (See Appendix A) The complaint was not addressed by either entity, but this procedure was indeed a breach of the Act.

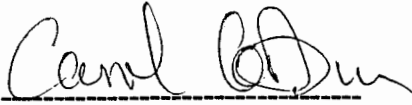
5.4.3 Further, the GPHC routinely made direct purchases of pharmaceuticals. These purchases were of significant value in total, but reflected many instances of what appears to be contract splitting to avoid NPTAB's review. This was in breach of Section 14 of the Procurement Act.

5.4.4 The GPHC's use of a tender committee to process and approve procurement transactions, valued between \$250,000 and \$1,500,000., was in breach of Section 22 of the Procurement Act, since the committee was not properly appointed as outlined in this section of the Act.


6. RECOMMENDATIONS

- 6.1 The GPHC must execute all procurement transactions in accordance with the Procurement Act and should, therefore, establish appropriate systems to avoid reoccurrences of breaches such as contract splitting and use of procurement methods, which are not supported by the Act. In this regard, the Board of GPHC should work assiduously on developing and approving a Procurement Policy and Procedures Manual.
- 6.2 The GPHC should plan its procuring activities more effectively, including, at minimum, preparation of an annual procurement plan, which should be effectively executed and monitored. This would also serve to reduce the need to engage in small purchases as well as “emergency procurements”.
- 6.3 The GPHC is an independent agency and, therefore, should not be subjected to direction and control from persons who are external to the organization. The Minister of Public Health is responsible for policy related matters and not administrative or operational issues. The Board is responsible for providing oversight and operational guidance to senior management. In future any communication between the Ministry and GPHC should, therefore, be routed through the Board. Every effort should also be made by the relevant authority to ensure that there are no gaps in the appointment of a Board for the GPHC.
- 6.4 Drugs and medical supplies loaned to other public health institutions should be recovered in an organized manner, in keeping with the Stores Regulations 1993.
- 6.5 GPHC should take appropriate steps to separate Procurement from Finance, in keeping with best practice for these functions. The procurement staff should be appropriately qualified and regularly trained in current procurement procedures. The pharmacy staff responsible for forecasting the needs of the GPHC should be equipped with the appropriate tools and systems to ensure that the Procurement Department is provided with accurate, timely and relevant information. This will ensure that procurement activities are appropriately structured and conducted in accordance with the Act.
- 6.6 The GPHC needs to urgently assess and plan for adequate storage facilities for pharmaceuticals and medical supplies. In this regard, a concerted effort should be made to identify and source appropriate resources to ensure that these facilities are available soon.
- 6.7 The NPTAB should ensure that the evaluation process for tenders is conducted efficiently and in accordance with the Act. Agencies such as GPHC should be closely monitored to ensure that tender documents are handled with strict security and confidentiality. The practice of documents being moved around to evaluators’ offices by various personnel should cease immediately and the time-frame set out in the Act for completion of the tender evaluation should be strictly observed as far as is practicable.
- 6.8 Finally, the GPHC is operating an Agency Tender Board without the approval or input of NPTAB and this should be addressed urgently so that this breach ceases. NPTAB should take the required steps to establish an agency tender board that includes representation from

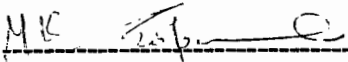
the GPHC Board. In addition, in view of the specialized nature of the needs of the GPHC, the procurement thresholds of expenditure applicable to the GPHC should be reviewed with the objective of improving efficiency and reducing the need for the entity to make numerous ad hoc purchases, which may breach the Procurement Act.



Carol Corbin
Chairperson




Emily Dodson
Commissioner



Dr Nanda Gopaul
Deputy Chairperson

Sukrishnalall Pasha
Commissioner



Ivor English
Commissioner

Dated August 9th 2017

**GPHC creates “emergency” to sole source \$605M drugs from Trini firm
... local companies with cheaper supply snubbed
... could have saved over \$100M taxpayers’ dollars**

Guyana Times March 9, 2017

Source: <http://guyanatimesgy.com/gphc-creates-emergency-to-sole-source-605m-drugs-from-trini-firm/>

Another major corruption scandal appears to be in the making as the management of the Georgetown Public Hospital Corporation moves to sideline local companies for the procurement of emergency pharmaceuticals worth in excess of \$605 million from a Trinidadian firm, ANSA McAL.

Georgetown Public Hospital had delayed and cancelled four out of its five public tenders within the last four months, creating a situation where there is a massive shortage of pharmaceuticals, which was initially denied by the authorities, and which would have caused deaths and aggravated illnesses in patients lacking medication. One of Guyana’s leading local pharmaceutical manufacturers, the New Guyana Pharmaceutical Corporation (NEW GPC INC), is questioning the Georgetown Hospital’s decision to ignore local companies, which could have supplied the same quantity and quality of drugs at better prices.

Georgetown Hospital has delayed and cancelled four out of its five public tenders within the last four months, creating a situation where there is a massive shortage of pharmaceuticals.

Subsequently, the Corporation’s Chief Executive Officer (CEO), Allan Johnson, on February 28, wrote a letter to the Chairman of the National Procurement and Tender Administration Board (NPTAB), Berkley Wickham, requesting approval for the procurement of these “emergency drugs” in light of the shortage, from ANSA McAL to the tune of \$605,962,200.

This request to bypass the procurement process to sole source drugs from a foreign firm speaks loudly of some public official’s intent to sideline local companies which could have supplied the same pharmaceuticals at cheaper prices.

It raises the issue of motive and possible corruption, which is reminiscent of the earlier decision to rent a non-existent pharma warehouse.

NEW GPC noted that the transaction between Georgetown Public Hospital and Ansa McAl, should it see fruition, would be a breach in the public procurement rules.

Cheaper prices

New NEW GPC further pointed out that it could have supplied many of the items instantaneously since there is usually inventory on hand. In the worst case scenario, NEW GPC said the delay would be less than a few days to get the products manufactured right here in Guyana.

“NEW GPC has surveyed some of the items it manufactures locally and some imported against ANSA McAL and the company’s prices are significantly cheaper. NEW GPC’s prices could be

independently confirmed by reviewing recent bid submissions to the Tender Board in 2016 and 2017.” the firm stated.

Additionally, NEW GPC said it could have supplied even the items to be imported quicker by utilising its established and reliable supply chain; for instance, a Clindamycin injection, ANSA McAL’s price is 12 times NEW GPC’s. For Diclofenac tablets, it is 15 times and for Clotrimazole cream, which is made locally, as much as 23 times. For the mere 16 out of 118 items surveyed, the Georgetown Hospital would have saved over one hundred million dollars of taxpayers’ money (G\$100 milion) had it purchased them from NEW GPC.

The local manufacturing giant strongly believes its quotations are being deliberately excluded or timed in such a manner to facilitate ANSA McAL. “Case in point is the Georgetown Hospital’s recent purchase of Oxytocin (Item# 114) from ANSA McAL when NEW GPC had inventory on hand and offered it at what is now confirmed at a fraction of the price. In any case, what reason could be there for an emergency purchase from ANSA McAL if NEW GPC was offering stock on hand at a better price? And what about other local suppliers?” NEW GPC questioned.

NEW GPC also noted that in recent meetings with suppliers, Georgetown Public Hospital’s senior management insisted that they will seek out the lowest price to determine tender awards. “Choosing to do business with ANSA McAL with these exorbitant prices is contrary to that publicly stated position and it is tantamount to misleading the other bidders who were present,” NEW GPC said.

Local supplies

The company also highlighted that the Georgetown Public Hospital’s previous preference for cheapest prices created the opportunity for some importers to supply inferior products at the exclusion of locally manufactured items and this most certainly had adverse consequences on patients.

NEW GPC also noted with concern, the Georgetown Hospital’s recent removal of the 10 per cent preferential treatment for locally

“Which Guyanese company could realistically secure a contract from the Trinidadian Government for US\$3 million in pharmaceuticals and moreover do this outside of public tender? And for the supply of products from extra regional sources since ANSA McAL is not a manufacturer?” – NEW GPC

Ansa McAl refutes claims of receiving \$M drug contract through sole sourcing
Kaieteur News, Mar 09, 2017

Source: <http://www.kaieteurnews.com/2017/03/09/ansa-mcal-refutes-claims-of-receiving-m-drug-contract-through-sole-sourcing/>

Ansa McAl Trading Limited (AMTL) sought to set the record straight yesterday regarding statements which were being circulated in the media that it benefitted from a million-dollar contract for the procurement of emergency pharmaceutical supplies through the process of sole sourcing.

In a statement to the media last night, the conglomerate chronicled the events leading up to how it was awarded a contract for the supply of drugs in the sum of \$605M.

The company explained that a meeting was held in the conference room of the Georgetown Public Hospital Corporation (GPHC) on January 16, last.

The entity said that the meeting was held with all suppliers in an effort to address stock shortages and the urgent need for some products.

Ansa McAl said that it was announced that this was because the previous invite to tender in November of 2016 had been compromised, resulting in a further delay of supply.

The company said that tender documents had been prepared for emergency supplies with specific tendering process requirements.

AMTL made it clear that contrary to comments of “sole sourcing” being in play, it was one of four companies asked to bid on a list of products that the GPHC had indicated was either low or out of stock. This was also confirmed to Kaieteur News by CEO of GPHC, Alan Johnson and the National Procurement and Tender Administration Board (NPTAB).

AMTL said that it adhered to the process and submitted a bid on February 14, last.

“AMTL tendered for 300 plus items and was successful and awarded 118 items within the tender. AMTL adhered to the procuring process which required a submission of an invoice of the awarded items which must be delivered within the 14 working days.”

The company stressed that it prides itself being renowned for branded, quality products, as it represents 13 of the top 25 pharmaceutical companies in the world. Officials at Ansa McAl made it clear that those companies and their products have proven to be compliant, safe and of the correct efficacy.

Appendix A3

Ansa McAL is only company to ever provide cold storage facilities for drugs –Lawrence
Kaieteur News, Mar 12, 2017

<http://www.kaieteurnews.com/2017/03/12/ansa-mcal-is-only-company-to-ever-provide-cold-storage-facilities-for-drugs-lawrence/>

—Even though NEW GPC was sole supplier for over 20 years

— Other companies were not a part of contract for emergency drugs due to ongoing investigations

The collusion between moles in the public health system and a few crooked suppliers of pharmaceuticals is what led to the Minister of Public Health, Volda Lawrence, taking a controversial route in the recent procurement of emergency pharmaceuticals for the Georgetown Public Hospital Corporation (GPHC).

The minister made this statement to the press yesterday in an effort to correct misleading comments in some sections in the media.

The misguided comments, she said, were in relation to certain documents which were leaked to the media, giving the false impression that the hospital tried to procure drugs from Ansa McAl Trading Limited through sole sourcing.

Lawrence stressed however that Ansa McAl was among four companies from which these emergency supplies were procured. The other companies were New GPC, Health 2000 and ChiroSyn Discovery.

The Minister of Public Health said that other companies were not a part of this process due to ongoing investigations into their late/or non-delivery of critical drugs which they were contracted to procure for GPHC during 2016.

She said that some of these pharmaceuticals were overdue by as much as six months, which exacerbated the drug shortage at the hospital.

She explained that moves were made to fast track the procurement of these pharmaceuticals to minimise the negative effects on patients due to the shortage of some critical drugs.

“This influenced the decision to seek the green light from the National Procurement and Tender Administration Board (NPTAB) for Ansa McAl to supply drugs and pharmaceuticals to the tune of some \$605M.”

Lawrence explained that Ansa McAl is one of only two companies in Guyana that can provide the cold chain storage necessary to maintain the integrity of a wide range of pharmaceuticals that are critical in the health care sector, in Guyana.

“Ansa McAl not only air freighted the drugs (this helped spike the cost to import the items) for the public health sector, but also donated four refrigerators to GPHC to store the emergency supplies at the internationally acceptable temperature of 20 to 80C. No other company in the history of the institution has provided cold storage facilities at the hospital even though, at least

one of them (NEW GPC) was the sole supplier of pharmaceuticals to the institution for over 20 years.”

Lawrence said that all pharmaceuticals for the entire nation was sole-sourced from that company for billions of tax-payers’ dollars. During that period, she said that GPHC used icepacks to store these sensitive drugs at the facility, because the main refrigerator was in poor condition and unable to maintain the correct temperature for these drugs endangering their efficacy, potency and integrity.

Lawrence stressed that she was unwilling to jeopardise the sector and patients’ lives and took what may appear to be the now-controversial route.

MOLES

With regard to moles at the GPHC procurement system, the Minister said that she is aware that they have been constantly leaking information to the media with the aim of discrediting officials of the institution and often-times it is misinformation.

She stressed that the tender process was never breached and the route to procure the emergency supplies was fast tracked.

Lawrence said that the National Procurement and Tender Board Act makes provision for such, and the same suppliers would have emerged.

“My priority is to ensure the nation’s health is given top priority. The health system will not be held hostage by unprincipled persons and therefore I made the decision to shortlist the critical but unavailable items and the suppliers with the ability to provide them on time to avert deepening the drug demand difficulties,” Lawrence explained.

She added that the Public Health system needs urgent and massive overhaul. She found that several procurement officials are not only unqualified for the job, but also unwilling to follow protocols and processes thus helping to “create a sand storm” within the health sector.

Consequently “slippages are many and gaps are very wide” Lawrence said.

The slippages, Lawrence said, still exist “because health is a lucrative sector and a magnet for corrupt individuals and venal firms. Hence, many have fallen victim to the allure of dishonest gain.”

“Without a shadow of doubt this shortage is manmade and created to cheat the country of medical supplies and cash...but I am not for sale,” Lawrence said.

The Public Health Minister said that the engineered shortage of drugs in the system meant that drugs that should have been in the public health system since 2016 to cater for demands in the first quarter of this year are not there and this has far reaching implications for the tender process for drugs.

She said that she is bracing for a fierce fight from suppliers and inflexible staff opposition because they now feel threatened by the new course being chartered for the public health system.

The fresh wind of change she said has brought open tender, a proper procurement policy which includes computerisation of information, storage of critical drugs under internationally acceptable conditions and the placement of pharmacists in wards of the GPHC.

The Pan American Health Organisation and World Health Organisation (PAHO/WHO) are throwing their support behind local efforts to help develop a proper and accountable public health system.

PAHO/WHO is helping to shape policy directions in the areas of procurement, distribution, storage and managing consumption levels of pharmaceuticals at the GPHC.

Lawrence said that the current difficulties in the public health system are compounded by an inability to forecast future needs accurately as a result of its reliance on a manual system which is rarely updated.

Lawrence wants this ended immediately and has promised new measures to accomplish this. The first step was taken Friday last when she met with several delinquent suppliers at her Brickdam, Georgetown office.

"The policy and standards will be rigorously applied to guarantee the safety of the Guyanese people who are my first interest," Lawrence said.


GOVERNMENT NOTICE

Cabinet considered the abovementioned memorandum CP(2017)1:4:H submitted by the Minister of Public Health and **approved** the appointment of the Board of Directors of the following entity in the Public Health Sector, for a period of one (1) year with effect from February 1, 2017 to January 31, 2018.

GEORGETOWN PUBLIC HOSPITAL CORPORATION BOARD

- | | | |
|---------------------------|---|-------------|
| 1. Ms. Kessaundra Alves | - | Chairperson |
| 2. Dr. Holly Alexander | - | Member |
| 3. Dr. Ivelaw A. Sinclair | - | Member |
| 4. Ms. Collette Adams | - | Member |
| 5. Ms. Sonya Roopnauth | - | Member |
| 6. Ms. Cleopatra Barkoey | - | Member |
| 7. Ms. Dawn Gardener | - | Member |

The previous Cabinet Decision CP(2017)1:4:HH issued on January 27, 2017 is hereby withdrawn.


.....
LT. COL. JOSEPH HARMON, MSM
MINISTER OF STATE
2017-03-01st

DISTRIBUTION

- Minister of Public Health
- Permanent Secretary,
Ministry of Public Health



Georgetown Public Hospital Corporation



New Market Street,
Georgetown, Guyana

We Care
Tel: 592-226-1835
Fax: 592-226-6249

7th November, 2016

Mr. Berkley Wickham
Chairman
National Procurement &
Tender Administration Board
Ministry of Finance
Main & Urquhart Streets
Georgetown.

Dear Mr. Wickham,

NOTICE OF TENDER OPENING


Please be advised that there will be an opening of the following GPHC Tender on Tuesday 22nd November, 2016 at 09:00 hours at the National Procurement & Tender Administration Board, Ministry of Finance:

- Procurement of Pharmaceuticals

This Tender was advertised in the National Newspapers on 6th, 13th and 20th November, 2016.

Attached, please find a copy the Ad and the Tender that will be opened.

Sincerely,


 Chief Executive Officer
 Georgetown Public Hospital Corporation



GEORGETOWN PUBLIC HOSPITAL CORPORATION



TENDER NOTICE

Tenders are invited from suitably qualified persons to provide the following goods for the purchase of a Public Hospital procurement

Procurement of Pharmaceuticals

1. Tender Documents can be obtained from the Cashier, Finance Department of the Georgetown Public Hospital Corporation, New Market Street, from 09:00 hrs. to 15:00 hrs. Monday to Friday upon payment of a non-refundable fee of \$5,000 each.
2. Each Tender must be enclosed in a sealed envelope which does not in any way identify the tenderer and should be clearly marked on the top left hand corner "Tender for Pharmaceuticals".
3. Tenders must be addressed to The Chairman, National Procurement & Tender Administration Board, Ministry of Finance, Main & Urquhart Street, Georgetown not later than 09:00 hrs. on 02nd November 2016.
4. Tenders will be opened immediately after the closing periods. Tenderers or their representatives are invited to attend the openings.
5. Each Tender must be accompanied by a valid Certificate of Compliance from the Commissioner of Inland Revenue Authority (IRD) and from the General Manager National Insurance Scheme (NIS) in the name of the individual if individual is tendering or company if company is tendering.
6. The Georgetown Public Hospital Corporation does not bind itself to accept the lowest or any tender.

Mr. Sheik Amir
CEO (A/C)



Georgetown Public Hospital Corporation



Tel: 592-2-61835
Fax: 592-2-88249

17th November 2016

Mr. Berkeley Wickham
Chairman
National Procurement &
Tender Administration Board
Ministry of Finance
Mam & Torquham Streets
Georgetown

Dear Mr. Wickham,

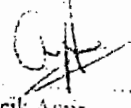
Tender for Procurement of Pharmaceuticals

The Georgetown Public Hospital Corporation is requesting to have the opening date for the above extended from 22nd November 2016 to 24th November 2016

This request is being made since the quantities being procured have increased from four months to five months

Attached is a copy of the bid document with the changes to the quantities

Sincerely,


.....
Sheikh Amir
Chief Executive Officer (a2)

Nichelle DeRouch
Procurement Supervisor
Guyana Defence Force

CEO
Georgetown Public Hospital Corporation
Ministry of Public Health

2016-11-

Dear Sir,

MINORITY REPORT

Reference:

A. NPTA # 3394/2016/46 - Procurement of Drugs

This report serves as a matter of grave concern as an evaluator for Reference A. I was ask by your representative to conduct a preliminary evaluation.

The following was observed:

a. Bid security in form of insurance instead of bank guarantee as required in the Bid data sheet (ITB 8.1)

T# 1 - Global Healthcare

T# 2 - Meditron

T# 5 - Caribbean Medical Supplies

b. ISO/WHO non - submission

T# 4 - IPA

c. Warranty/guarantee non submission

T# 1 - Global Healthcare

d. Financial capacity

T# 3 - New GPC In proof of financial capacity (Line of credit) is \$10M, however, total bid price is \$278,589,908, therefore 20% of total bid is \$55,717,582.00 the line of credit is inadequate to be deemed responsive. This was at the 1 November 2016.

However, your representative called after she left my office and said that there was additional proof of financial capacity for this bidder in excess of \$800M.

I requested the document to be returned by 9 am on 2nd November 2016, however, I receive same on the 3rd November with additional information as it relates to this additional information. I checked the copy at the National Tender Board as to this claim. There were copies of line of credit dated 2016-10-13 for GBTI \$10M and Demerara Bank dated 2016-04-06.

The original submission has an original letter from GBTI with date as stated above and a copy from Demerara Bank with 2016-04-06 and an original dated 2016-10-31. The latter letters were no part of the document I examined on the 1 November 2016 nor was a copy at the National Tender Board.

In light of this development I declined to sign off the evaluation as the issue of integrity of this process is questionable.

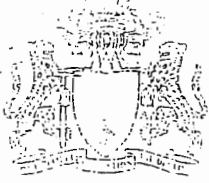
Regards

.....
Nichelle DeRouch
Evaluator

Copy to:

Chairman, NPTA

Appendix B6



Ref. No.

CMO-15/12/2016

Ministry of Health
Georgetown
November 14, 2016

Mr. Sheik Amir
Chief Executive Officer (ag)
Georgetown Public Hospital Corporation
New Market Street
GEORGETOWN

Dear Mr. Amir,

REF.: MINORITY REPORT - NPTA # 3394/2016/48 - PROCUREMENT OF DRUGS

Please be informed that part of the documents submitted with the tender for the above procurement, the following were observed.

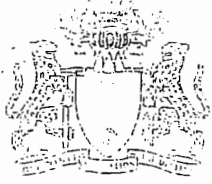
1. Bid security in the form of insurance and not Bank Guarantee were proven by T#1, T#2 and T#5.
2. ISO/WHO approval for pharmaceutical procurement was not submitted for T#4.
3. The warranty/guarantee for T#1 was not supplied.
4. Some discrepancies exist regarding T#3 where proof of financial capacity stated at G\$10M while the bid provided was in excess of G\$275M. There was also another document indicating bid security for G\$600M.

With these observations, I decline to sign off on the evaluation of this tender.

Yours Sincerely,

.....
Dr. Shamdeo Persaud
CHIEF MEDICAL OFFICER
EVALUATOR

c.c. Mr. B. Wickham, Chairman, NPTAB



Ref. No.

CMC-15/12/2016

November 11, 2016

Mr. Sheik Amir
Chief Executive Officer (ag)
Georgetown Public Hospital Corporation
New Market Street
GEOGETOWN

Dear Mr. Amir,

REF.: MINORITY REPORT – NPTA # 3894/2016/48 – PROCUREMENT OF DRUGS

Please be informed that part of the documents submitted with the tender for the above procurement, the following were observed.

1. Bid security in the form of insurance and not Bank Guarantees were proven by T#1, T#2 and T#3.
2. ISO/WHO approval for pharmaceutical procurement was not submitted for T#3.
3. The warranty/guarantee for T#1 was not supplied.
4. Some discrepancies exist regarding T#3 where proof of financial capacity stated at G\$10M while the bid provided was in excess of G\$278M. There was also another document indicating bid security for G\$600M.

With these observations, I decline to sign off on the evaluation of this tender.

Yours Sincerely,

.....
Dr. Shamdeo Persaud
CHIEF MEDICAL OFFICER
EVALUATOR

c.c. Mr. B. Wickham, Chairman, NPTAB



New Market Street,
Georgetown, Guyana.

Georgetown Public Hospital Corporation



Tel: 592-2-91935
Fax: 592-2-66249

23rd November 2016

Mr. Berkley Wickham
Chairman
National Procurement &
Tender Administration Board
Ministry of Finance
Main & Urquhart Streets
Georgetown.

Dear Mr. Wickham.

MINORITY REPORT

Reference: NPTA # 3394/2016/46 – Procurement of Medical Supplies

A preliminary evaluation of tenders revealed that there was a discrepancies in the Bid Security information that did not clearly state that the use of Insurance Coverage was no longer acceptable. As a consequence, several tenderers were disqualified. As consequence, this raised a grave concern about the manner in which the Bid Document was prepared in order to ensure a fair and transparent process.

- a. Bid security in the form of Insurance Coverage instead of bank guarantee as required in the Bid data sheet (ITB 3.1)
T# 1 – Global Healthcare
T# 2 – Meditron
T# 5 – Caribbean Medical Supplies

In light of this matter, I have declined to sign off the evaluation as the issue of a fair and transparent process is questionable. Additionally, the other members of the evaluation panel has expressed similar concerns. As a consequence, I am requesting that there be a review of the Tender Documents by the NPTAB and recommendations be made on the way forward.
Regards

Sincerely,

.....
Sheik Amir
Chief Executive Officer (ag)



In replying Quote Date
Hereof and No.

Ministry of Finance
Main & Urquhart Streets,
Georgetown
Guyana.

9th January, 2017

Mr. Allan Johnson
Chief Executive Officer
Georgetown Public Hospital Corporation
New Market Street
Georgetown

Dear Mr. Johnson,

Re: Procurement of Pharmaceuticals; NPTAB Ref: 3707/2016/46

With reference to the subject at caption, the National Procurement and Tender Administration Board supports the recommendation of the Evaluation Committee and has granted approval for:

- (i) Procurement process to be annulled; and
- (ii) the project to be retendered.

Yours sincerely,


.....
Berkeley Wickham
Chairman
National Procurement and Tender Administration Board



New Market Street,
Georgetown, Guyana.

Georgetown Public Hospital Corporation



Tel : 592-2-61835
Fax : 592-2-66249

9th January 2017

Mr. Berkley Wickham
Chairman
National Procurement &
Tender Administration Board
Ministry of Finance
Main & Urquhart Streets
Georgetown.

Dear Mr. Wickham,

**Requesting approval for
Restrictive tendering for Pharmaceutical NPTAB #3707/2016/46
and Medical Supplies NPTAB #3394/2016/46**

The Georgetown Public Hospital Corporation is requesting approval to use of the restrictive tendering method of procurement to procure Pharmaceutical and Medical Supplies. We are requesting approval of the following shortlisted suppliers, namely:

1. New GPC
2. International Pharmaceutical Agency
3. Ansa McAl
4. Meditron
5. Alvin Rambajan
6. Global Healthcare Supplies Inc.
7. Massy Distributions Inc.
8. Health 2000 Inc.
9. K.D Enterprises
10. Caribbean Medical Supplies Inc.

Further, we hereby seek approval for the opening of this project on the 14th February 2017. Please see attached of the proposed tender document for use. Your approval of this document is also being sought.

Sincerely,

Allan Johnson
Chief Executive Officer (ag)

FEB 01 2017

In replying Quote Date
Hereof and No.



Ministry of Finance
Main & Urquhart Streets,
Georgetown
Guyana

30th January, 2017

Mr. Allan Johnson,
Chief Executive Officer (CEO)
Georgetown Public Hospital Corporation
New Market Street
Georgetown

Finance Director
Ronald Charles
Allan Johnson
Robert...

Dear Mr. Johnson

**Re: Request for Approval for Restrictive Tendering Procurement of
Pharmaceuticals-NPTAB# 3707/2016/46**

With reference to your letter dated January 9th, 2017 the National Procurement and Tender Administration Board has granted approval for your agency to proceed with Restricted Tendering for the project at caption and for the following suppliers to be invited to bid for the project.

1. New GPC
2. International Pharmaceutical Agency
3. Ansa McAl Trading
4. Meditron
5. Alvin Rambajan
6. Global Healthcare Supplies Inc
7. Massy Distributions Inc.
8. Health 2000 Inc.
9. K.D Enterprises
10. Caribbean Medical Supplies Inc

Best regards

Yours sincerely,

[Signature]
Berkley Wickham
Chairman
National Procurement and Tender Administration Board

FINANCIAL SERVICES
FEB 02 2017
Date Received/Sent



New Market Street,
Georgetown, Guyana.

Georgetown Public Hospital Corporation

APPENDIX 11



We Care

Tel : 592-2-61835
Fax: 592-2-66249

16th February 2017

Mr. Ravie Ramcharitar
General Manager
New GPC Inc.
AI Farm,
East Bank Demerara
Guyana

Dear Mr. Ramcharitar,

RE: Emergency Pharmaceutical Supplies

The Georgetown Public Hospital Corporation wishes to notify you that it has taken the decision to procure an emergency supply of pharmaceutical supplies via your organization. These supplies are to be delivered to the hospital with fourteen (14) working days of the receipt of this letter. Attached is the list of Pharmaceuticals required, and for which you have quoted.

Kindly, acknowledge in writing that you have agreed to supply the attached list of items at the price indicated, within the time frame required.

Best Regards,


Merle Johnson
Chief Executive Officer (ag)



New Market Street,
Georgetown, Guyana.

Georgetown Public Hospital Corporation



Tel : 592-2-61835
Fax: 592-2-66249

16th February 2017

Mr. Troy Cadogan
Managing Director
Ansa McAl Trading Ltd.
60 Beterverwagting,
East Coast Demerara

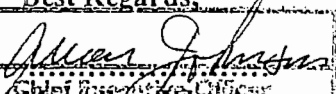
Dear Mr. Cadogan,

RE: Emergency Pharmaceutical Supplies

The Georgetown Public Hospital Corporation wishes to notify you that it has taken the decision to procure an emergency supply of pharmaceutical supplies via your organization. These supplies are to be delivered to the hospital with fourteen (14) working days of the receipt of this letter. Attached is the list of Pharmaceuticals required, and for which you have quoted.

Kindly, acknowledge in writing that you have agreed to supply the attached list of items at the price indicated, within the time frame required.

Best Regards,


Mr. Allan Johnson
Chief Executive Officer (ag)

GPHC

Work Plan by Week for Procurement of Pharmaceutical Supplies

Task	Responsible	Status	Weeks																																							
			February				March				April				May				June				July				August				September				October							
			3	10	17	24	3	10	17	24	31	7	14	21	28	5	12	19	26	1	8	15	22	29	7	14	21	28	4	11	18	25	1	8	15	22	29	6	13	20	27	
Emergency Supplies																																										
Determining availability of items on emergency list	Insert	In progress	[Gantt chart bars]																																							
Obtaining Quotation from Suppliers	Insert	Not started	[Gantt chart bars]																																							
Evaluation Report sent for approval	Insert	Not started	[Gantt chart bars]																																							
Award of Tender	Insert	Not started	[Gantt chart bars]																																							
Acceptance of contract	Insert	Not started	[Gantt chart bars]																																							
Performance of Contract	Insert	Not started	[Gantt chart bars]																																							
Procurement of Pharmaceutical Supplies																																										
Advertisement of Tenders	Insert	In progress	[Gantt chart bars]																																							
Evaluation Report sent for approval	Insert	Not started	[Gantt chart bars]																																							
Award of Tender	Insert	Not started	[Gantt chart bars]																																							
Acceptance of contract	Insert	Not started	[Gantt chart bars]																																							
Performance of Contract	Insert	Not started	[Gantt chart bars]																																							

NB: 1. The Emergency Supplies quantities will be reduced by the quantities available at MMU, MoPH
 2. Emergency quantities caters for six (6) months consumption



Georgetown Public Hospital Corporation



Tel : 592-2-61835
Fax: 592-2-00240

9th February 2017

Mr. Berkley Wickham
Chairman
National Procurement & Tender Administration Board
Ministry of Finance
Main & Urquhart Streets
Georgetown.

Dear Mr. Wickham,

RE: Annulment of Emergency Pharmaceutical and Medical Supplies Tenders

Following a meeting with the Honourable Minister Volda Lawrence on the 3rd February 2017 at the Georgetown Public Hospital Corporation (GPHC), she recommended that we take a different approach towards sourcing pharmaceutical and medical supplies, which will require considerably less time, given the serious impact this shortage will have on the lives of patients seeking care at this institution.

As a consequence, GPHC is seeking the approval of the National Procurement & Tender Administration Board to annul the emergency pharmaceutical and medical supplies tenders schedule to be opened on Tuesday 14th February 2017, since we intend to utilize the sole sourcing method to fast track these urgent supplies.

Thank you and looking forward to your timely approval.

Sincerely,


Mr. Allan Johnson
Chief Executive Officer (ag)

SECRETARY
MINISTRY OF FINANCE
FEB 13 2017
RECEIVED

316/2017/46
317/2017/46



New Market Street,
Georgetown, Guyana.

Georgetown Public Hospital Corporation



We Care

Tel: 592-2-61835
Fax: 592-2-66249

28th February 2017

Mr. Berkeley Wickham
Chairman
National Procurement &
Tender Administration Board
Ministry of Finance
Main & Urquhart Streets
Georgetown.

Dear Mr Wickham,

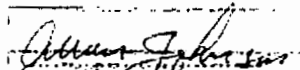
Emergency Pharmaceutical Supplies

The Georgetown Public Hospital Corporation is requesting approval from the National Procurement and Tender Administration Board to procure Emergency Medical Supplies.

These emergency supplies were authorised by the Hon. Volda Lawrence, Minister of Public Health (see letter attached). The pharmaceuticals supplied by this company was at the time of request available only from this supplier.

Grateful for your approval to Health 2000 for the sum of two million, nine hundred and twenty-three thousand, nine hundred and twenty dollars.(\$2,923,920), as per attached quotation

Sincerely,


Allan Johnson
Chief Executive Officer (ag)



New Market Street,
Georgetown, Guyana.

Georgetown Public Hospital Corporation



Tel : 592-2-61835
Fax: 592-2-66249

23rd February 2017

Mr. Berkley Wickham
Chairman
National Procurement &
Tender Administration Board
Ministry of Finance
Main & Urquhart Streets
Georgetown.

Dear Mr. Wickham,


Emergency Pharmaceutical Supplies

The Georgetown Public Hospital Corporation is requesting approval from the National Procurement and Tender Administration Board to procure Emergency Medical Supplies.

These emergency supplies were authorised by the Hon. Volda Lawrence, Minister of Public Health (see letter attached). The pharmaceuticals supplied by this company was at the time of request available only from this supplier.

Grateful for your approval to Ansa McAL Trading Limited for the sum of six hundred and five million eight hundred and sixty-two thousand, two hundred dollars (\$605,962,200), as per attached quotation.

Sincerely,


Allan Johnson
Chief Executive Officer (sg)

*



New Market Street,
Georgetown, Guyana.

Georgetown Public Hospital Corporation



We Care

Tel : 592-2-61835
Fax: 592-2-60249

28th February 2017

Mr. Berkley Wickham
Chairman
National Procurement &
Tender Administration Board
Ministry of Finance
Main & Urquhart Streets
Georgetown.

Dear Mr. Wickham,

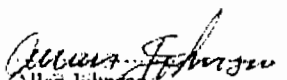
Emergency Pharmaceutical Supplies

The Georgetown Public Hospital Corporation is requesting approval from the National Procurement and Tender Administration Board to procure Emergency Medical Supplies.

These emergency supplies were authorised by the Hon. Volda Lawrence, Minister of Public Health (see letter attached). The pharmaceuticals supplied by this company was at the time of request available only from this supplier.

Grateful for your approval to ChiroSyn Discovery for the sum of two million, one hundred and thirty-eight thousand, nine hundred and twenty-five dollars (\$2,138,925), as per attached quotation

Sincerely,


Allan Johnson
Chief Executive Officer (ag)

*



Georgetown Public Hospital Corporation



Tel : 592-2-61835
Fax: 592-2-66249

25th February 2017

Mr. Berkley Wickham
Chairman
National Procurement &
Tender Administration Board
Ministry of Finance
Main & Urquhart Streets
Georgetown.

Dear Mr. Wickham.

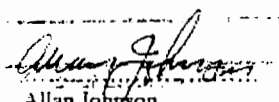
Emergency Pharmaceutical Supplies

The Georgetown Public Hospital Corporation is requesting approval from the National Procurement and Tender Administration Board to procure Emergency Medical Supplies.

These emergency supplies were authorised by the Hon. Volda Lawrence, Minister of Public Health (see letter attached). The pharmaceuticals supplied by this company was at the time of request available only from this supplier.

Grateful for your approval to New GPC for the sum of twenty million, eight hundred and eighty thousand, six hundred and ten dollars. (\$20,888,610), as per attached quotation.

Sincerely,


Allan Johnson
Chief Executive Officer (ag)