

# PUBLIC ACCOUNTS COMMITTEE

## QUESTIONS

### Procurement of Biomedical Equipment – Ministry of Health & Medical Services

Question 1: Did the Ministry of Health & Medical Services ('MHMS') through the Fiji Pharmaceutical and Biomedical Services Centre ('FPBSC') comply with the Procurement Regulations 2010, related policy/guidelines and accepted best practices guides in planning procurements for bio-medical equipment?

*7.1.1 Risks associated with procurements not identified and considered*

1. Provide the Committee with a copy of the updated 4 year Procurement Plan?

Equipment Replacement Procurement Plan 2013 – 2016 attached.

*7.1.2 Inadequate scoping for specifications*

2. Can the Ministry advise whether the items noted in Table 1: Examples of issues noted at CWM Hospital were fully utilised? If yes, please explain how. Also explain to the Committee that during the physical inspections carried out on February 2017 and again on June 2018 by the Auditors, it was revealed the some equipment's were not fully utilised due to the absence of other specifications required for the equipment to be fully functional.

This equipment's were purchased on a phase out method whereby equipment accessories landed in the country at different times and later installed by the Biomedical Engineers.

There were some process gaps in our previous purchase in the area of specification and the Ministry identified strategies to strengthen these areas.

Accessories were later received and the equipment purchased for ICU through **CTN 175/2014** has been fully utilized as per requirement.

*2.1.3 Proper Procurement justifications not made.*

3. Provide a copy of the SOPs for planning and sourcing bio-medical equipments?

Biomedical Equipment SOP attached.

4. Advice what is the timeline for FPBS preparation of the Minimum Equipment Standard list for each facility and for the Ministry?

June 2019

5. Advice what is the timeline for the finalization and endorsement of the 5 year replacement plan for the biomedical equipment?

June 2019

Question 3: Did the Ministry of Health & Medical Services comply with the Procurement Regulation 2010 and related guidelines and accepted best practices in managing contracts for bio-medical equipment?

*7.3.1 Non-compliance with contract requirements*

1. From the review of contracts and related documents, the audit noted that a supplier was awarded two contracts for \$12.6 million, which was 69% of the total value of the contracts that were examined. In addition, the same supplier was awarded another contract of \$3.1 million in June 2016 without any evidence of contract monitoring performed on the two contracts previously awarded in 2015. Please provide an update on this.

There were process gaps that were identified by the audit and the current team is now rectifying these gaps by strengthening the various stages of the procurement processes.

We have made improvements in the contract that we enter into with the suppliers and also monitor contracts and supplier performance.

Few additional areas of improvements are:

- Thorough technical specification process by the relevant technical Team
- Continuous Market Research with latest technology with a cost benefit analysis
- Ensuring compatibility of Machines with spare parts and consumables
- Complying with various foreign market regulatory
- Documentation & filings of important documents

This is in addition to the proper examination of contracts by the Solicitor-General's Office.