Government of Jammu and Kashmir
Civil Secretariat Health & Medical Education Department

Subject: Policy for allotment of sites/structures for use as Fair Price Medical Shops, Canteens & STD booths at health institutions of Health and Medical Education Department.

Government Order No.: 492 HME of 2008
Dated: 17 -8- 2008

In supersession of all previous orders on the subject, sanction is accorded to a revised policy for allotment of sites/structures for use as Fair Price Medical Shops, Canteens & STD Booths at health institutions at State/Divisional/District/Sub District/Block Hospitals of Health and Medical Education Department to further streamline the procedure and to effect greater transparency in the allotment system.

A- Procedure for allotment of structures/sites in Hospitals

1. All sites or built up structures earmarked and notified by the Government for use as Medical Shops, Canteens and Public Call Booths available within the premises in various health Institutions of Health and Medical Education Department shall henceforth be allotted in a transparent system in the following manner:

   a) All allotments shall be made through auction by inviting sealed bids from general public through advertisement in leading local newspapers.

   b) Standing Committees shall be constituted as given in Para 25 one each for Medical/Dental Colleges, Director Health Services of each Divisional to fix the minimum reserve price for the site/structure to be allotted on licence. This reserve price will be reflected in the advertisement notice.

   c) The Standing Committee concerned shall also decide the allotment of such structures of Medical/Dental Colleges and their Associated Hospitals and of Directorate of Health Services.

   d) At District Level, a Committee comprising Chief Medical Officer, Medical Supdt. of District Hospital and a representative of Director Health Services shall evaluate and process the bids and submit these to the Standing Committee concerned for decision and allotment. At Sub-District and Block level Institutions BMO shall be the as additional Member of the Committee. These Committees are, however, authorized to seek guidance from the respective Head of Department from time to time.

   e) In case of un-built sites, structures shall be constructed by the Department and not by the successful bidders. The minimum reserve price for such sites shall not be less than estimates for construction of the structure.

B- Eligibility

2. Only permanent residents of J&K state shall be eligible to participate in the auction.

3. In respect of Fair Price Medical Shops, only those bidders who are in possession of a retail drug sales license issued by the competent authority under Drug and Cosmetics Act shall be eligible to participate in the auction.

C- Procedure and duration of allotment.

4. Bids shall be received in prescribed form which can be obtained from the Offices of concerned Director Health Services (Kashmir/Jammu) or concerned Principal Government Medical/Dental Colleges (Srinagar/Jammu) CMO/Medical Superintendent of the Hospital concerned or any other office as may be notified in the Public Notice on payment of Rs. 500/- per form.
19. The revenue so generated from the auction/rent shall be deposited in the Bank account of HDF. The detailed mechanism shall be worked out with the concurrence of the Finance Department.

20. The allottee shall have to undertake in writing to abide by the general principles/rules of the hospital administration that are in vogue or introduced for better regulation in the Hospital premises from time to time. He shall also have to abide by the instructions of the concerned Medical Superintendents/CMOs as the case may be, that may be issued from time to time and no objectionable items are stored within the premises.

D- Payment of Premium and penalties.

21. The highest bidder shall deposit 50% of the premium within 30 days from the date of issue of Letter Of Indent and the balance 50% of the premium within next 30 days thereafter.

22. The bidder's earnest money shall be forfeited and Letter Of Indent withdrawn in case of default in payment of 1st installment of premium (equivalent to 50% of the bid money) within prescribed period of 30 days.

23. In case of default in payment of second installment of premium (equivalent to 50% of the bid money) within the prescribed period of 30 days, penal interest @ 18% shall be charged for two months and thereafter the earnest money and 10% of the deposited 1st installment of the bid money, shall be forfeited and Letter Of Indent withdrawn;

24. In case of extension of allotment as per Para 11, the allottee shall pay 100% premium as paid at the time of original allotment, out of which 50% shall be deposited by the allottee before the extension is accorded and rest of 50% in equal yearly installments calculated by the number of years extended and will be deposited by the allottee at the beginning of each year. The extension shall be subject to the condition that the allottee shall give bank guarantee equal to the amount of premium for six years and undertaking on stamp papers to vacate the premises after the expiry of the extended period of allotment.

E-Standing Committee for Reserve Price/monthly rent

25. The Standing Committee for fixing reserve price/monthly rent for each shop/canteen/call booths shall comprise as under:-

1. Principal GMC Srinagar/Jammu/ Govt. Dental Colleges Srinagar/Jammu/ Director Health Services Kashmir/Jammu (as the case may be), ____________ Chairman.

2. Representative of the Adm. Department not less than the rank of Under Secretary.

3. Chief Medical Officer (non Medical College Hospital/ Dental college site/structure)

4. Medical Superintendent of the concerned Hospital;

5. Representative of Engineering Department (R&D) not below the rank of Assistant Ex. Engineer;

6. Accounts Officer of Director Health Services/GMC/GDC (as the case may be) ____________ Member-Secretary

26. The rent so fixed by the Committee will be increased by 20% every year and 30% annually after extension.

F-Previous Allottee

27. The revised policy shall also cover those persons who are already in possession of shops etc. in the following manner:-

a) Those who have acquired possession of the structures/sites through earlier open auction and have either completed their period of allotment or yet to complete, shall be considered by the Standing
5. The site plan shall be kept available for examination of prospective bidders in these offices.

6. Each bid shall be accompanied by an earnest money not less than 10% of the minimum reserve price in the shape of Demand Draft duly pledged to the authority to be specified in the Public Notice and same shall be adjustable towards second installment of the bid amount in case of successful bidder.

7. The bids shall be submitted to the notified authority received in sealed cover by hand/speed post/registered post/couriers by or before the stipulated date and time.

8. The Medical Superintendent/Chief Medical Officer shall issue Letter Of Indent to the highest bidder.

9. The site/structure shall be utilized only for the purpose for which it is allotted i.e. sale of drugs/medicines, canteen and Public Call booth and no other activity shall be allowed in the premises.

10. The possession of the Shop/Canteen/Public call Booth shall be handed over only after payment of full premium.

11. The allotment of the Medical Shops/ Canteen/ Public Call Booths shall be made for a period of 5 years extendable up to 6 years on the basis of performance to be vouched for by the concerned Medical Superintendent/ CMO and countersigned by the respective Head of Department i.e. Director Health Services or Principal as the case may be, but not beyond 11 years in all in any case i.e. allotment and extended period. The extension for 6 years period shall be subject to bank guarantee/security equivalent to the premium of extended period.

12. In no case, the allottee shall sublet the premises of Medical Fair price Shop/Canteen/ Public Call Booth.

13. All these Shops/ Canteens/Public Call Booths shall remain open round the clock and shall not be closed on account of any strike or holidays.

14. The allottee of Medical Fair Price Shops shall store only quality medicines and shall not store or sell any sub-standard/spurious drugs/expired drugs. They shall strictly adhere to the provisions of Drug and Cosmetics Act and guidelines issued by Drug Control Organization in this behalf from time to time. The rates shall be displayed at a conspicuous place out side the shop for the information of customers.

15. In case of psychotropic drugs, the allottee shall not sell these without prescription of Registered Medical Practitioner and maintain complete sale record readily available for inspection by the competent authority.

16. (i) The rates charged by the Canteen shall be approved by the Committee nominated by the concerned Medical Superintendent/CMO as the case may be and in no case exceed the approved rates. The rate list, so approved, shall be put up at the conspicuous place outside the Canteen for the information of the people;

(ii) In case of Public Call Booths, the rates as permissible by BSNL shall be charged and the rate list shall be put up at the conspicuous place outside the Booth.

(iii) the allottee of Canteen shall ensure proper hygiene and sanitation and safe storage of eatables after having obtained licence from the Competent Authority;

17. Violation of any of these conditions shall make the allottee liable for action under Law/ rules including termination of the allotment and forfeiture of deposited bid money.

18. The successful bidder shall have to execute an agreement on stamp paper with the Director Health Services/Principal Government Medical/Dental College as the case may be, to abide by all these conditions including any other conditions, which the Government may impose for better regulation of such shops from time to time.
Committee concerned for further extension up to 6 years upon payment of 100% premium as paid at the time of original allotment. Out of this, 50% shall be deposited by the allottee before the extension is accorded and the balance of 50% in equal yearly installments calculated by the number of extended years which shall be deposited by the allottee at the beginning of each year i.e. in the month of January. The extension shall be subject to the condition that the allottee shall give bank guarantee equal to the amount of premium for six years and undertaking on stamp papers to vacate the premises after the expiry of the extended period of allotment.

b). Those who have got allotment without auction, can be considered for extension for another 2 years on payment of premium equivalent to 50% of the market price to be determined by the Standing Committee with 30% increase in rent within 30 days of issuance of Letter of Intent. The extension shall be subject to the condition that the allottee shall give bank guarantee equal to the amount of premium for six years and undertaking on stamp papers to vacate the premises after the expiry of the extended period of allotment.

Provided that in case of failure to pay premium within the stipulated time the allotment/extension shall be deemed to have been terminated without any notice and the allottee shall have to vacate the premises immediately.

By order of the Government of Jammu and Kashmir

Sd/-
Secretary to Government,
Health and Medical Education Department.

No.HD (Coord) 59/07(Fair price)

Dated: 17-06-2008

Copy to:-
1. Director SKIMS Soura Srinagar.
2. Principal Government Medical College Srinagar/Jammu
3. Director Health Services Kashmir/Jammu.
4. Principal Govt., Dental College, Jammu/Srinagar.
5. Principal SKIMS Medical College Bemina Srinagar.
6. Director Indian System of Medicine, J&K Jammu.
10. Joint Director for Information, Srinagar.
12. Pvt. Secretary to Hon’ble Minister for H&ME/MOS
13. Pvt. Secretary to Secy. to Govt., Health & Med. Education.
15. Stock File.