

NOTICE INVITING EXPRESSION OF INTEREST

For

The Franchisee for HLL's operation of
Medical Laboratory Services, Medical
Imaging Services, Pharmacy & Opticals at
various locations on Pan India Basis

EOI No:HLL/CHO/HCS&RBD/2016-17/01 Dt:17-11-2016

Corporate and Regd. Office:
HLL Bhavan, Poojappura,
Thiruvananthapuram - 695 012
Kerala, India.
Ph: 0471-2354949

November 2016

About Us

HLL Lifecare Limited (HLL) is a Public Sector Enterprise under the administrative control of the Ministry of Health & Family Welfare, Government of India. HLL's purpose of business is "to be a globally respected organization focusing on inclusiveness by providing affordable and quality healthcare solutions through continuous innovations". In its quest to become a comprehensive healthcare solutions provider, HLL had diversified into hospital products, healthcare and retail services, while nurturing its core business of providing quality contraceptives.

The Healthcare Services Division of HLL provides Medical Diagnostic Services (Laboratory and Imaging) and other facilities like Wellness Clinic/Polyclinic to partner institutions in a PPP model. Our first center in association with CGHS started functioning since February 2008 in New Delhi. Presently HLL operates 7 Medical Laboratories with High end equipment and 7 Medical Imaging Facilities. We installed four 1.5 Tesla MRI scanners in 4 Government Medical colleges in Kerala. The Healthcare Services Division (HCS) of HLL is planning to set up Diagnostic Services in various states across India. For this expansion plan, HLL is in the lookout of Franchisee to provide complementary services which will enable HLL establish the centers/services across India.

HLL Pharmacy & HLL Opticals is a unique initiative of HLL that offers a wide range of reliable healthcare-related services to the people. The Centre fosters innovation in its services and makes them accessible to the people at economical costs. It offers Specialty Retail Pharmacy for Drugs (Generic & Branded), Surgical Implants, Surgical Consumables, Life-saving Drugs & Devices, Optical Frames, Optical Lenses, Intra-Ocular Lenses (IOL).

Already HLL's Hindlabs, HLL Pharmacy and HLL Opticals have gained good reputation among general public and made good social impact by keeping the prices of Medical Investigation, Scans etc at affordable to the common man in India.

Partner Institutions

- State Government – Medical Colleges, District Hospitals and Taluk Hospitals, CHC & PHC
- Central Government – Hospitals & Institute
- Public and Private Sector Hospitals
- PSUs

Scope

HLL Lifecare is inviting expression of interest from the experienced and competent parties to set up Hindlabs, HLL Pharmacy, HLL Opticals etc on Franchisee model at any locations in India.

Hindlabs is the brand name given by HLL for both the Medical Imaging facilities and Medical Laboratory facilities.

Expression of Interest can be submitted for the Franchisee of Individual Facilities as well as combination of Facilities.

Again franchisee can be submitted for individual Imaging facilities or combination of imaging facilities.

While submitting the Eoi, the bidders have to mention the districts where they want to have the franchisees.

Role & Responsibilities of the Franchisees

1. Has to set up the Hindlabs/ HLL Pharmacy/HLL Opticals as per the specifications given by HLL
2. Has to install brand new equipments with calibration certificates and installation certificates (if applicable).
3. The AMC/CMC of the equipment lies with the Franchisees
4. The Manpower requirement (Designations and the numbers) will be given by HLL and the Franchisees has to engage only qualified and experienced personal.
5. All the statutory/ regulatory requirements like Labour registration, Shops& Establishment act Registration, DL, AERB Licensing, PNDD Licensing etc need to be taken care by the Franchisees.
6. The franchisees has to pay the franchisee fee to HLL as per the MoU terms and conditions signed by them mutually

7. The SoP for the facilities will be provided by HLL and the franchisees has to adopt these SoPs without fail
8. The software for the operations will be provided by HLL, but all the hardware requirements need to be placed by the franchisee.
9. The Franchisee has to do the all the quality control mechanisms which is prevailing in this field.
10. The franchisee can obtain NABL accreditation within 2 years of Laboratory operations and NABH-MIS within 2 years Medical Imaging Operations.
11. Whenever it is mandatory, HLL will inform and the franchisee has to obtain this accreditation within 1 year after intimation.
12. The Franchisee will ensure that the entire system operated by them are accessible to HLL's authorised person
13. If Franchisees are being given in any educational Institute, for teaching and training purpose the franchisee has to share the operational information to the institute as per HLL's demand.
14. The Franchisee shall ensure that items which are on the verge of expiry or already expired are not sold to the customers under any circumstances.
15. The Franchisee shall not sale any misbranded or spurious or adulterated drugs as well as drugs and combination of drugs banned in India under Notifications issued by the Government of India.
16. Those drugs which are covering under the price control of National Pharmaceutical Pricing Authority (NPPA) shall be sale by Franchisee at the NPPA suggested rate only.
17. Items other than medicines must conform to the specification standards as applicable.(e.g. specifications standards laid down by the Bureau of Indian Standards)
18. The Franchisee will procure standard quality of medicines/consumables/surgical items as well as other items from manufacturing organizations or their marketing organizations or their authorized distributors. In addition, implants/prosthetic devices / Orthopaedic items/appliances etc currently in use in the concerned hospital will also be procured by the Franchisees from manufacturing organizations or their marketing organizations or their authorized distributors (where ever applicable).

19. Adequate inventory of stocks will be maintained by the Franchisee to avoid any stock out situations.
20. The franchisee has to ensure that all items are to be sold to the patients on valid prescriptions at MRP or with a discount from MRP and in compliance with existing Drugs and Cosmetics Acts and Rules as well as HLL's policies in this regard from time to time.
21. If HLL is getting any requirement of starting up new facilities, then HLL will have the right to give intimation to the respective Franchisee which is already present in that particular place with any of the mentioned services, to operate the newly required facility as per HLL directive.
22. The Franchisees has to agree to invest minimum of 60 Lakhs per State

Eligibility Criteria

The eligibility criteria for submission of Expression of Interest for Franchisee of HLL for Diagnostic Facilities/ HLL Pharmacy/HLL Opticals are provided as under:

1. The Organization (Limited Company/Private Limited Company / Partnership or Proprietary Firm / NGO / Trust) must be registered under appropriate statutory authority of any of the State Government / Government of India or under Companies Act.
2. The Organization may be located anywhere in India but has experience in health care activities for more than three years.
3. The Organization has been operating and managing a Hospital / Nursing Home for last three years and having facilities and having in-house investigation facilities for Medical Laboratory Facilities / Medical Imaging Facilities and Pharmacy

OR

The Organization has been operating and managing a Diagnostic and Investigation Centre for last three years and above.

OR

The Organization is having Optical Retail Outlet for more than 5 years of operation

OR

The Organization shall have a minimum of five years' experience in managing a Retail Chemist Outlet or as a Wholesaler/Distributor in the pharmaceutical trade in any of the States in India. The Organization must be holding valid license issued under the provisions of the Drugs & Cosmetics Act as on the date of submission of the EoI.

4. No litigation is pending on date and no penal measures were taken against the applicant under applicable Acts and laws.
5. The annual turn-over of the Organization (in Rupees) shall be considered for being eligible to apply are as under
 - a. For Medical Imaging & Medical Laboratory Services-
Rupees Eight Crore in aggregate of last two financial years ending March 2015 in case the Organization has been running a Hospital or Nursing Home as mentioned above
OR
Rupees Four Crore in aggregate of last two financial years ending March 2015 in case the Organization has been running a Diagnostic and Investigation Centre as mentioned above.
 - b. For HLL Pharmacy Services-
The sales turnover of the organization must not be below Rupees Five Crores in aggregate of the last two financial years ending March 2015(For organizations with existing Retail Chemist Outlet)
OR
The sales turnover of the Organization must not be below Rupees Eight Crores (Rs.8.00 Crores) in aggregate of the last two financial years ending March 2015 (For other organizations working as wholesaler/Distributor of pharmaceutical trade)
 - c. For HLL Opticals Services-
Rupees Three Crore in aggregate of last two financial years ending March 2015 in case the Organization has been running Optical Outlet along with Hospital or Nursing Home as mentioned above
OR
The sales turnover of the organization must not be below Rupees One Crore and Fifty Lakhs (Rs.1.5 Crore) in aggregate of the last two financial years ending March 2015
6. The bidder should have positive net worth during the last three financial years

Applicant failing to fulfill any of the above-mentioned Eligibility Criteria will not be considered for selection.

General Conditions

Eoi submitted for each business segment may not to exceed Five (5) pages -. The submission may be organized in one document with each page marked with the title of submission and the name of the parties. A summary may be separately attached, if deemed helpful. Each response should contain following minimum information:

- Background about the Parties.
- The Core Competencies/ Core Area of working of the Organizations.
- Experience in India, and/or other key markets.
- Details of Franchisee Request(District wise)
- Score card as per the evaluation sheet for each facility
- Scope of Work and Detailed execution methodology envisaged by organizations.
- Evidence of previous proven track record in management and execution/Operation of Medical Laboratory Facility/ Medical Imaging Facility/ Retail Pharmacy/ Optical Outlet etc

While the Expression of Interest has been prepared in good faith, HLL does not make any commitment or warranty, express or implied, or accept any responsibility or liability, whatsoever, in respect of any statement or omission herein, or the accuracy, completeness or reliability of information contained herein, and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this request, even if any loss or damage is caused by any act or omission on its part.

Organizations are requested to keep the information and details strictly confidential. We are looking for your support and co-operation in getting fully responsive Expression of interest.

HLL shall not be responsible for any expense incurred by Parties in connection with the preparation and delivery of their EOI and other expenses.

HLL reserves the right to reject any or all the Expressions of Interest without assigning any reason thereof.

After evaluation / examination of the Eol, HLL may at its sole discretion decide further course of action.

HLL reserves the right to deal with the Eol in any manner without assigning any reasons for the same. The decision of HLL in this regard shall be final.

Interested parties qualifying the eligibility conditions and obtaining the desired marks may express their interest in writing to the following address along with relevant documents.

Associate Vice President (Marketing & Healthcare Services)
HLL Lifecare Limited
HLL Bhavan, Poojapura
Thiruvananthapuram – 695 012
Email: hcs@lifecarehll.com

Earnest Money Deposit (EMD):

The party has to submit a EMD for an amount of Rupees Three Lakhs (Rs.3,00,000/-) in the form of Demand Draft(DD) issued by a Nationalised/Scheduled Bank in favour of “HLL Lifecare Ltd” payable at Trivandrum. EMD will be forfeited if the party withdraws or amends it Eol or impairs or derogates from the Eol in any respect within the period of validity of the Eol or if it comes to notice that the information /documents furnished in the Eol is incorrect, false, misleading or forged. In addition to the aforesaid grounds, the EMD of the parties who signed the agreement with HLL fails to furnish the required performance security within the specified period the EMD will be forfeited.

Eol submitted without EMD shall not be considered. The EMD of the parties will be returned without any interest within one month from the submission of the Performance security after signing the Franchisee Agreement. The Eol participants can also request for return of EMD after six months from the date of submission of Eol provided no Franchisee agreement is executed with HLL within that period. If the parties withdrawing their EMD after six months of submission of Eol, their Eol automatically stands cancel.

Performance Security:

The selected Franchisee shall furnish a Performance Security in the shape of Bank Guarantee issued by a Nationalised /Scheduled Bank in favour of HLL Lifecare Ltd for an amount which 10% of the Total Franchisee fee payable by the selected parties. If the franchisee violates any of the terms and conditions of the Franchisee agreement /this EoI, the performance security shall be liable for forfeiter. The performance security will be returned to the franchisee without any interest, within 90 days from the closure of the franchisee agreement date/ Termination of the Franchisee agreement.

Payment terms:

The Franchisee fee will be mutually decided between the eligible EoI participants and HLL as per the upcoming project requirement.

The payment mode and terms will also be mutually discussed and decided with the shortlisted parties depending on the facilities offered per project execution model.

Penalty Clause:

If the shortlisted parties after signing the franchisee agreement with HLL fails to execute the project as agreed in the agreement or within the stipulated time or has not provided the facilities as agreed in the agreement a penalty will be imposed by HLL. The penalty leviable will be decided depending on the Franchisee fee payable and the same shall be included in detail along the Franchisee agreement.

Completion Schedule:

The completion schedule of the project which comes under franchisee agreement will be detailed in the franchisee agreement, depending on the specific project requirement.

Selection Process

Selection process would involve short-listing of applicants based on marks scored by the applicants on each of the criteria as under. Physical inspection at the facilities of the applicants with prior intimation may be undertaken by HLL or members authorized by HLL for gathering information relating to short listing of applicants for further processing for selection.

A. Franchisees for Medical Imaging Facilities

| Sl No | Criteria | Marks |
|-------|---|--|
| 1 | Experience | a. > 02 – 03 years = 6 marks b. > 03 - 05 years = 9 marks c. > 05 years = 12 marks |
| 2 | Rupees Eight Crore in aggregate of last two financial years ending March 2016 in case the Organization has been running a Hospital or Nursing Home as mentioned above OR Rupees Four Crore in aggregate of last two financial years ending March 2016 in case the Organization has been running a Diagnostic and Investigation Centre as mentioned above | a. > 8 crore- - 10 crore = 12 marks b. > 10 crore - 12 crore = 17 marks c. > 12 crore = 22 mark OR a. > 4 crore - 6 crore = 12 marks b. > 6 crore - 8 crore = 17 marks c. > 8 crore = 22 mark |
| 3 | Organisations Available Medical Imaging Investigation Facilities | a. Having X-Ray, USG=5 Marks b. Having X-Ray ,USG,CT Scan/MRI=8 Marks c. Having X-Ray, USG, CT Scan, MRI Scan, SPECT, Fusion Imaging= 11 Marks |
| 4 | Present Deployment of Manpower | <u>a. Number of Radiologist/ Nuclear Medicine Physician</u> 1=4 Marks 2=7 Marks 3= 8 Marks >4= 10 Marks <u>b. Number of Technicians/Technologist / Radiographer</u> 2= 3 Marks >2-4= 4 Marks >4-8 = 6 Marks >8= 10Marks |

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| | | <p><u>c. Radiological Safety Officer</u></p> <p>If RSO Level-1= 2 Marks</p> <p>If RSO Level-3= 3Marks</p> |
| 5 | Presence of Organisation | <p>If the Medical Imaging Facilities are present</p> <p>In 2 States= 5 marks</p> <p>>2- 5 states= 10 Marks</p> <p>>5 -10 States= 12 Marks</p> |
| 6 | Customer Load | <p>If the total Patients imaged by the Organisation in an Year</p> <p>< 1 Lakhs = 6 Marks</p> <p>>1-2 Lakhs= 9 Marks</p> <p>>2-5 lakhs= 12 Marks</p> |
| 7 | Quality Aspects | <p>NABH-MIS accreditation</p> <p>1 Centre= 2 Marks</p> <p>>1-3 Centres= 5 Marks</p> <p>>3-5 Centres=8 Marks</p> |

B. Franchisees For Medical Laboratory Facilities

| SI No | Criteria | Marks |
|-------|---|---|
| 1 | Experience | a. > 02 – 03 years = 5 marks b. > 03 - 05 years = 7 marks c. > 05 years = 9 marks |
| 2 | Rupees Eight Crore in aggregate of last two financial years ending March 2016 in case the Organization has been running a Hospital or Nursing Home as mentioned above OR Rupees Four Crore in aggregate of last two financial years ending March 2016 in case the Organization has been running a Diagnostic and Investigation Centre as mentioned above | a. > 8 crore - 10 crore = 12 marks b. > 10 crore -12 crore= 17 marks c. > 12 crore = 22 mark OR a. > 4 crore - 6 crore = 12 marks b. > 6 crore - 8 crore = 17 marks c. > 8 crore = 22 mark |
| 3 | Organisations Available Medical Laboratory Facilities | a. Having Biochemistry/Serology =3 Marks b. Having Biochemistry/ Serology/ Microbiology=5 Marks c. Having Biochemistry/ Serology/ Microbiology/Histo-Cyto Pathology = 8 Marks |
| 4 | Present Deployment of Manpower | <u>a. Number of Pathologist/ Biochemist/ Microbiologist</u> 1=3 Marks 2=5 Marks 3= 8 Marks >4= 10 Marks <u>b. Number of Technicians/Technologist</u> 2= 3 Marks >2-4= 4 Marks >4-8 = 6 Marks >8= 8 Marks |

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| | | c. Quality Manager If Present = 3 Marks |
| 5 | Presence of Organisation | If the Medical Laboratory Facilities are present In 2 States= 4 marks >2- 5 states= 8 Marks >5 -10 States= 12 Marks |
| 6 | Customer Load | If the total Number of Patients tested by the Organisation in an Year < 2 Lakhs = 4 Marks >2-4 Lakhs= 8 Marks >4-5 lakhs= 12 Marks |
| 7 | Quality Aspects | NABL accreditation 1 Centre= 4 Marks >1-3 Centres= 6 Marks >3-5 Centres=8 Marks |
| 8 | Collection Centre | If the overall Collection Centre number >50-100= 3 Marks >100-200= 5 Marks >200= 8 Marks |

C. Franchisee For HLL Pharmacy

| SI No | Criteria | Marks |
|-------|---|---|
| 1 | Experience | a.> 03 – 05 years = 7 marks b.> 05 - 07 years = 9 marks c.> 07 years = 11 marks |
| 2 | The sales turnover of the organization must not be below Rupees Five Crores in aggregate of the last two financial years ending March 2016(For organizations with existing Retail Chemist Outlet) OR The sales turnover of the Organization must not be below Rupees Eight crore (8 crore) in aggregate of the last two financial years ending March 2016(For other organizations working as wholesaler/Distributor of pharmaceutical trade) | a. > 5 crore - 7 crore = 12 marks b. > 7 crore - 9 crore = 17 marks c. > 9 crore = 22 mark OR a.> 8 crore - 10 crore = 12 Marks b.> 10 crore - 12 crore = 17 Marks c.> 12 crore = 22 Marks |
| 3 | Available Categories of Items in the Pharmacy | a. Generic Drugs=4 Marks b. Generic /Branded Drugs=8 Marks c. Generic & Branded Drugs/ Surgical Implants= 12 Marks d. Generic & Branded Drugs/ Surgical Implants/ Life Saving Devices= 15 Marks |
| 4 | Present Deployment of Manpower | Number of Pharmacists 1=2 Marks >2- 5=5 Marks |

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| | | <p>>5-10= 10 Marks</p> <p>>10-15= 12 Marks</p> |
| 5 | Presence of Organisation | <p>If the Pharmacy Facilities are present</p> <p>In 2 States= 5 marks</p> <p>>2- 4 states= 10 Marks</p> <p>>4 States= 15 Marks</p> |
| 6 | Customer Load | <p>If the total Number of Customers</p> <p>< 0.5 Lakhs = 5 Marks</p> <p>>0.5-2 Lakhs= 10 Marks</p> <p>>2-5 lakhs= 15 Marks</p> |
| 7 | Inventory | <p>The Total Inventory available in all the Retail Pharmacies</p> <p>3 Crore= 3 Marks</p> <p>>3-5 Crore= 6 Marks</p> <p>>5 Crore=10 Marks</p> |

D. Franchisee for HLL Opticals

| SI No | Criteria | Marks |
|-------|--|--|
| 1 | Experience | a.> 03 – 05 years = 7 marks b.> 05 - 07 years = 9 marks c.> 07 years = 11 marks |
| 2 | Rupees Three Crore in aggregate of last two financial years ending March 2016 in case the Organization has been running Optical Outlet along with Hospital or Nursing Home as mentioned above OR The sales turnover of the organization must not be below Rupees. one crore and fifty lakhs (1.5crore) in aggregate of the last two financial years ending March 2016 | a. > 3 crore - 7 crore = 12 marks b. > 7 crore - 9 crore = 17 marks c. > 9 crore = 22 mark OR a.> 1.5crore - 3 crore = 12 Marks b.> 3 crore - 5 crore = 17 Marks c.> 5 crore = 22 Marks |
| 3 | Available Categories of Items in the Optical Retail Outlets | a. <u>Frames</u> >2 Brands=3 Marks >2-5 Brands=5 Marks >5 Brands=8 Marks b. <u>Lenses</u> >2 Brands=3 Marks >2-5 Brands=5 Marks >5 Brands=8 Marks |
| 4 | Present Deployment of Manpower | a. <u>Number of Optometrician/ Ophthalmic Technologists</u> 1=2 Marks >2- 5=4 Marks >5-10= 6 Marks |

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| | | <p>>10-15= 8 Marks</p> <p><u>b. Number of Ophthalmologist</u></p> <p>1= 2 Marks</p> <p>>2- 5= 6Marks</p> <p>>5 = 8 Marks</p> <p><u>c. Optical Fitting Technicians</u></p> <p>1=2 Marks</p> <p>>2- 5=5 Marks</p> <p>>5 = 7 Marks</p> |
| 5 | Presence of Organisation | <p>If the Optical Outlet Facilities are present</p> <p>In 2 States= 3 marks</p> <p>>2- 4 states= 6 Marks</p> <p>>4 States= 8 Marks</p> |
| 6 | Customer Load | <p>If the total Number of Customers</p> <p>< 0.2 Lakhs = 3 Marks</p> <p>>0.2-.8 Lakhs= 5 Marks</p> <p>>.8-1.5 lakhs= 7 Marks</p> <p>>1.5 Lakhs= 9 Marks</p> |
| 7 | Inventory | <p>The Overall Inventory Value of all the Optical Outlets</p> <p>2 Crore= 4 Marks</p> <p>>2-5 Crore= 6 Marks</p> <p>>5 Crore=8 Marks</p> |
| 8 | Vision Testing Facility | <p>If Computerised Vision Testing Facility is available= 3 Marks</p> |

The maximum possible marks, which may be scored by an applicant, are 100. Minimum qualifying marks are 65 out of 100 (i.e. 65 % of the total possible marks). The Organizations scoring 65 and above would be short-listed for Franchisees.

Documents to be submitted

1. Copy of certificate of incorporation/partnership deed/ any other statutory registration certificates/ copies of agreements
2. Audited copies of Balance sheet and P&L account for the last 2 financial years ending 31-3-2016
3. Copies of Quality certifications
4. Copies of appointment letters & latest pay slips issued to the Technical manpower (This will be the proof for the score obtained regarding deployment of Manpower).
5. Notarized statements for customer load, inventory, Facilities, Presence of the firm in multiple states etc
6. Copies of Installation reports of the equipments, Where ever applicable
7. Copy of the drug license, AERB license and other regulatory certificates as applicable
8. Copies of Labour Registration Certificate, Copies of PF/ESIC certifications etc
9. A declaration shall be furnished by the parties to the effect that the firm has neither been declared as defaulter or black listed by any competent authority of a Government Department under government of India or Government of any state.
10. Confirmation regarding furnishing Performance Security in case of award of agreement

Eol Submission

1. Eol can be submitted from 17-11-2016 onwards till 08-12-2016
2. All the above mentioned documents should be submitted along with Eol
3. The Eol document published by HLL shall be duly signed by the party and submitted along with the above document.
4. EMD should be submitted in the form of DD as explained above.
5. The submitted Eol shall be valid for a period of one year from the date of submission of the Eol.
6. The complete Eol can be submitted to the address given in the document. The envelope containing the Eol shall be sealed and superscripted with “ Eol for THE Franchises FOR HLL’s OPERATION OF MEDICAL LABORATORY SERVICES, MEDICAL IMAGING SERVICES, PHARMACY & OPTICALS AT VARIOUS LOCATIONS ON PAN INDIA BASIS”.

7. The EoI shall contain no interlineations or overwriting except as necessary to correct errors, in which case such correction must be initialed by the person or persons signing the EoI.

Dispute Resolution:

Arbitration: In case of any dispute or differences arising out of this Tender, then the same shall be settled amicably between the parties. if such dispute or differences does not get resolved within 30 days from the date of commencement of such discussion, then the same shall be referred to a Sole Arbitrator under the provisions of the Arbitration & Conciliation Act, 1996. Venue of such arbitration shall be Thiruvananthapuram. Proceedings of the Arbitration shall be in English and the Award of the Sole Arbitrator shall be final and binding upon the Parties.

Jurisdiction: Subject to the Arbitration clause mentioned herein above any dispute arising out of this Tender shall fall under the exclusive jurisdiction of the Courts at Thiruvananthapuram.
