

## **Outsourcing a Pharmacy in Kribhco Hospital, Kribhco Nagar, Surat**

**Introduction:** KRIBHCO has an established 30 bedded hospital at Kribhco Township, P.O. Kribhconagar, Hazira, Dist. Surat, Gujarat for which kribhco intends to outsource a Pharmacy for dispensing medicines, surgical items and other consumables.

### **A. SCOPE OF WORK:**

1. Pharmacy Operator shall use the licensed premises only for running the Pharmacy – sale of medical and surgical items (medicines, surgical items, disposable items, dressing materials, IV fluids, and all other items related with Medicare in accordance with the prescription / material indent note provided by the medical personnel of Kribhco or any other Hospital / doctor /consultants / or other person authorised by KRIBHCO.
2. Pharmacy operator will have to provide personnel, telecom facilities, interior and exterior signage, facilities for transport of goods, maintenance of adequate inventory at their own cost and shall be responsible for all financial and accounting transaction of the Pharmacy.
3. Pharmacy operator shall obtain the required Drug License and all other legal permissions for operating the Pharmacy at their own cost.
4. Pharmacy operator shall be responsible for all the obligations and liabilities in respect to personnel deployed for running the Pharmacy and to carry out other related activities.
5. Kribhco does not guarantee minimum business volume to Pharmacy operator.
6. KRIBHCO retains the right to have any number of Pharmacy within their premises.
7. Pharmacy operator will have to enter into an agreement with Kribhco for running the pharmacy only as a licensee of KRIBHCO and shall have no tenancy or leasehold rights.

### **B. DURATION OF AGREEMENT:**

1. The space provided by KRIBHCO will be given on License basis for a period of 3 yrs. from the date of agreement in accordance with the terms and conditions contained herein unless terminated due to any reason mentioned therein the clause of termination of contract. This can be mutually extended further.
2. After completion of valid agreement period the Pharmacy operator shall take back all the medicines, surgical items and other consumables along with all their assets and vacate kribhco premises within thirty (30) days.

### **C. INFRASTRUCTURE:**

1. KRIBHCO will provide a space of approximately 180 sq. feet for OPD counter and 330 sq. feet for storage purpose within the Hospital premises for a period of 3 yrs. on chargeable basis @ of Re 1 per month.
2. The furniture and fixtures shall be provided by Kribhco (available as of now) and other requirements by the Pharmacy operator shall be at their own cost.
3. Necessary electricity will be provided free of cost by KRIBHCO to maintain and run OPD counter and Pharmacy store only.
4. One A-type accommodation may be provided free of cost for residential purpose of the staff, however electricity and natural gas consumed shall be chargeable at the prevailing rates of KRIBHCO and Gujarat Gas respectively. Kribhco will provide an intercom telephone connection for in-house use only.

5. Bus pass for the movement of employed staff of Pharmacy shall be issued free of cost.
6. Pharmacy operator shall not carry out any alteration to the premises without prior written consent from KRIBHCO.
7. KRIBHCO is entitled to claim damages from the Pharmacy operator if any loss or damages to the licensed premises due to negligence of Pharmacy operator.
8. The Pharmacy operator shall maintain the furniture and fixtures already available in the OPD counter and store and shall handover the same in good condition at the end of the contract. At the time of take over and hand over, an inventory of furniture, fixtures etc. shall be prepared jointly and duly verified by representatives of both Kribhco and Pharmacy Operator.
9. The Pharmacy operator shall stop using the premises and vacate it immediately on termination of contract.
10. On expiry of the license period and /or termination of the agreement for committing the breach of any of the terms and conditions of the license, the licensor will be entitled to restrain the licensee from entering into the said licensed premises by locking the same and whatever goods lying in the said licensed premises shall be sold by the licensor at the risks, costs and consequences of the licensee after deducting all the dues, cost charges and expenses incurred or suffered by the licensor.

**D. QUALITY MANAGEMENT:**

1. Pharmacy operator should ensure the quality and genuineness of the medicines to be kept in the pharmacy
2. The Pharmacy operator will not be allowed to sell any allied medical products / cosmetic products etc.
3. Pharmacy operator will store the medicine in a safe and clean environment and should maintain the proper cold chain.
4. They will follow good retail practices and other protocols as per the Drug and Cosmetic Act 1948.
5. The Pharmacy operator shall keep trained licenced Pharmacists and other trained professionals to supervise the storage and dispensing of medicines.
6. KRIBHCO or their Representative will have the right to inspect the licensed premises during the working hours without any prior notice.
7. KRIBHCO at any time, can check the quality / price of the medicine that are being supplied by the pharmacy operator from any agency or lab approved by the Govt.

**E. OPERATION AND MANAGEMENT:**

1. The licensee will operate the pharmacy at Kribhco Hospital located at Kribhconagar, Hazira Rd., Surat – 394515.  
Timings: 08.00 AM to 08.00 PM on all working days.

12 Noon to 04:00 PM on Sundays and Holidays

2. In case of Emergency or any unforeseen situation, the Pharmacy operator has to provide the services as per the requirement of the hospital.
3. Pharmacy Operator will submit bills for all credit sales on monthly basis. The payment shall be made within 15 days from the date of submission after scrutiny and verification by KRIBHCO.
4. Pharmacy operator will dispense medicines, surgical items and other allied medical consumables to the residents of Kribhco township either on credit or cash basis as mentioned in the prescription slips issued by the Kribhco hospital doctors. However, in case of cash basis

mentioned in the prescription, the Pharmacy operator shall have to collect the cash directly for the medicines dispensed.

5. The stock of medicines and other surgical items shall be maintained by the Pharmacy operator as per the requirement of Kribhco Hospital, intimated by the in-charge of Kribhco Hospital from time to time.
6. Pharmacy operator shall bear the cost of inventory and other allied expenses to run the Pharmacy.
7. While making payment against submitted bills, KRIBHCO will deduct necessary taxes / levies if applicable
8. Pharmacy operator will provide adequate qualified staffing and manpower to run the Pharmacy. They will be sole responsible for the payment of their wages, remunerations and required working condition as per the statutory and legal requirements.
9. In case of power failure, system malfunction or any special circumstances, when the KHMS (Kribhco Hospital Management System) is non-operational, the operation of Pharmacy shall be continued manually so that patients do not suffer and smooth functioning of Hospital operations is not hampered. The medicines, surgical items and other consumables issued shall be regularised once the power / system is restored.
10. Either party, licensor or licensee can terminate the agreement by giving 3 months' notice in advance. In case of licensee terminating the contract, the licensee shall vacate the premises within 30 days after the expiry of notice period and shall handover all assets belonging licensor back to the licensor.

#### **F. SECURITY DEPOSIT:**

Pharmacy operator will deposit interest free security deposit of Rs.1 Lakh in the form of DD / Performance Bank Guarantee payable to KRIBHCO, Surat within 2 weeks from the effective date of agreement which shall be retained till the expiry of agreement and shall be refundable on successful execution of contract period.

#### **G. STATUTORY COMPLIANCES:**

1. Pharmacy Operator will keep necessary Drug License and comply with other statutory requirements as applicable under the state / central Govt. laws at its own cost.
2. Pharmacy operator shall be liable for compliance of all applicable statutory requirements including taxes and duties, and shall indemnify KRIBHCO against any liability.
3. The Pharmacy operator shall be liable as the employer towards the employees employed by him to run the Pharmacy and in case of any dispute raised by such employees for non-payment of wages and remunerations and /or matter connected with the terms of employment and/ or working conditions and under no circumstances, KRIBHCO shall be liable for such disputes / or consequences arising there from, for which Pharmacy operator shall give undertaking to KRIBHCO in prescribed format.
4. Pharmacy operator shall be liable and responsible for medico-legal issues and disputes arising out of the defects and deficiencies in the medicines, surgical items or any other allied consumables sold in the Pharmacy as well as services rendered by staff employed by operator and the consequences arising therefrom.

#### **H. TERMINATION OF THE CONTRACT:**

The licensor has the right to terminate the agreement between the licensor and licensee with a notice period of 3 months and forfeit the security deposit in the following circumstances:

1. Spurious or fake medicines found during inspection
2. Supply of expired medicines
3. Tampering with the packing of the medicines, surgical items etc.
4. Making any variations in the rates leading to financial loss to KRIBHCO
5. Dissatisfaction due to non-performance / poor performance as reported by the licensor.

#### **I. ARBITRATION CLAUSE:**

Any dispute, differences, conflict or disagreement arising out of, in connection with or relating to this agreement (“dispute”) will be first resolved amicably within 30 days of receipt of any notice from one party raising such dispute to the other party. The amicable settlement negotiations will be executed /carried out between the OD (Operations Director) of M/s KRIBHCO and authorized representative of the Pharmacy.

In case the parties fails to resolve the dispute in the present agreement, any dispute between the parties including but not limited to any dispute regarding the existence or validity of the present agreement will be resolved by Sole Arbitrator to be appointed mutually by M/s KRIBHCO and the outsourced Pharmacy in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or with the statutory modifications thereof and / or subsequent enactment thereof or any other enactment for the time being enforce. The seat of arbitration will be Surat unless otherwise decided by the parties. The arbitration shall be conducted in English language only. The award given by the Sole Arbitrator shall be final in all respects and shall also be binding upon both the parties.

Moreover, sharing of cost of arbitration shall be according to the Arbitration and Conciliation Act, 1996.

#### **J. Force Majeure**

Neither of the parties shall be held responsible for any delay or failure in the performance of any part of this agreement to the extent that such delay or failure in performance is caused by fire, earthquake, flood, war, embargo by Governmental directions or orders of any civil or military authority or any Act of God. Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing, the beginning of the cause amounting to Force Majeure as also the ending of the said clause by giving notice to the other party within 72 hours of the ending of the cause respectively. If deliveries are suspended by Force Majeure conditions lasting for more than 2 (two) months, all the parties with mutual consent shall have the option of cancelling this agreement in whole part at discretion in whole or part at his discretion without any liability at his part. Time for performance of the relative obligation suspended by Force Majeure shall then stand extended by the period for which such cause last.

#### **K. Jurisdiction**

The agreement to be executed shall be governed by the laws of India (both Substantive and Procedural) for the time being in force and shall be subject to exclusive jurisdiction of the Indian Courts at Surat (Gujarat).

#### **L. Change in Law**

In the event of introduction of any new legislation or any change or amendment or enforcement of any act or law, rules regulations of Government of India or State Government (s) or public body which becomes effective after this agreement and which results in increased or decreased cost of the work under the agreement through increased or decreased liabilities of taxes,(other than Personnel and Corporate taxes ), duties, parties involved in agreement with mutual consent shall be indemnified for any such cost subject to the production of documentary proof to the satisfaction of each other to the extent which directly is attributable to such introduction of new legislation or change or amendments as mentioned above and adjudication by the competent authority and Courts wherever levy of such taxes /duties are disputed by both the parties.

#### **M. Notices and Correspondence**

All notices required to be given hereunder shall be in writing and by personal delivery against acknowledgement, transmitted by postage prepaid, registered mail (air mail, if international) or by facsimile transmission and shall be addressed to the respective parties at the addresses set out hereunder or such other addresses as the parties may from time to time designate by notice in writing to the other.