

Facts on the controversy around prices of Rapid Antibody tests

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First of all, it is important to understand the background in which procurement decisions are made by ICMR. Testing is one of the most crucial weapons to fight COVID-19 and ICMR is doing everything it can to ramp up testing. This requires procurement of kits and supplying them to states. This procurement is being undertaken when globally there is huge demand for these test kits and various countries are applying their full might, monetary and diplomatic, to acquire them.

ICMR'S first attempt to procure these kits did not elicit any response from the suppliers. Its second attempt got adequate responses. Of these responses, taking sensitivity and specificity in mind, kits of 2 companies (Biomedemics and Wondfo) were identified for procurement. Both had the requisite international certifications.

For Wondfo, evaluation committee got 4 bids and the corresponding quotes received were Rs. 1,204, Rs. 1,200, Rs. 844 and Rs. 600. Accordingly, bid offer of Rs. 600 was considered as L-1.

In the meanwhile, ICMR also tried to procure the kits directly from Wondfo company in China through CGI. However, quotation received from direct procurement had the following issues:

- Quotation was FOB (Free on Board) without any commitment on logistics issues. The quotation was on the basis of 100% direct advance without any guarantees. There was no commitment on timelines. Rates were communicated in US dollars without any clause for accounting for fluctuations in prices. Hence, it was decided to go Wondfo's exclusive distributor for India for the kit who quoted an all inclusive price for FOB (logistics) without any clause for advance.

It needs to be also remembered that this was the first ever effort by any Indian agency to procure such kits and the rate quoted by the bidders was the only reference point.

After receipt of some supplies, ICMR has again conducted quality checks on these kits in field conditions. Based on scientific assessment of their performance, the order in question (Wondfo) along with order in respect of another make found under-performing have been cancelled.

It needs to be stressed that ICMR has not made any payment whatsoever in respect of these supplies. Because of the due process followed (not going for procurement with 100% advance amount), GoI does not stand to lose a single rupee.

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