

04.07.2017

**MANAV RACHNA DENTAL COLLEGE**

**Minutes of Meeting of IQAC Administrative Committee**

Administrative Meeting of IQAC was conducted to streamline the procurement process.

The Following members are attended:-

1. Dr. Arundeeep Singh - Principal
2. Dr. Ashim Aggarwal - Vice Principal
3. Prof. Jayant Ambast – Member IQAC
4. Praveen Mahajan – GM Administration
5. Mr. Devender Kumar – Manager Administration

Proposal for improvement in MRDC procurement process is attached as Annexure 1 The entire proposal was discussed and debated in length with the Principal MRDC & Vice Principal MRDC and it was decide to submit the same to the management for consideration.

## **Proposal for improvement in MRDC procurement process**

### **Introduction:**

Manav Rachna Dental College is experiencing certain obstacles in devoting its full energy to its primary purpose of imparting quality dental education to the students enrolled in the college. These obstacles, which are chronic, though not very complex not only take a significant amount of time of the teaching staff on matters that are largely administrative in nature but also negatively impact the patient care. Most of these relate to i) the irregular availability of the consumables needed for treating patients and ii) inadequate maintenance of the equipment for investigation and treatment.

One major reason for these difficulties appears to be the present process of the procurement of both consumables as well as the maintenance service through periodic contracts. The present process engenders delays in both ordering & payment. This makes the procurement process episodic projects instead of an ongoing regular activity that it should be. Furthermore, the present process does not build good relationship with vendors, an important requirement of an efficient procurement process. The result is irregular availability of material and absence of proper maintenance, eventually impacting the patient care in an adverse manner.

Irregular availability of the consumables makes the departments order higher quantities. This leads to further inefficiency in procurement because of higher inventory and the cost associated with it. The episodic nature of procurement results in excessive workload in terms of making purchase orders and follow ups in bursts of time. This also requires larger payments in short periods instead of regular ongoing payment, which is both desirable and in line with the collections from treatment.

Acquiring patients and their treatment is an essential part of educating the students. As a matter of fact, the Dental Council prescribes a minimum number of patients to be treated as one of their requirement for certifying a dental college. We have to ensure that the college is fully equipped not only to acquire the requisite number of patients but also has the functioning infrastructure and necessary consumables in place to treat them well.

In the last couple of years, the college had improved its performance at the patient camp management, which is its primary endeavor for patient acquisition. This has resulted in

more patient footfalls from the camp as well as increasing number of walk-in patients, who either were originally introduced to the college through camps or were influenced by the word-of-mouth. The incidence of the walk-ins depends on the quality of patient care and needs to be raised further, if we were to meet the requirements of the patients handled by the college.

While the college receives certain income from the patients it treats, it is important that the not only the cost of providing this service is fully recovered (otherwise the same burden will eventually be borne by the students through their fees), but also the college has easy access to this income to pay for the upkeep of the infrastructure and buy consumables. Absence of this not only disrupts quality of patient care, it also leads to inefficient procurement.

Increasing number of patients has led to not only to more income but also more requirements of consumables and higher utilization of the equipment. Due to the lack of easy access to funds, the extent of inefficiency in the operation with respect to both the procurement of consumables and the creation of maintenance facility for the equipment has grown. We have to improve this to raise the level of the patient care.

This proposal is an attempt to address these problems as well as to encourage the college to become committed to generating sufficient income from patients to pay for most of its expenses towards providing proper care to them.

### **Proposal:**

This proposal envisages a three-pronged approach.

- A) To modify the process of ordering;
- B) To use the collection from the treatment of MRDC patients only for i) the purchase of Consumables, ii) the cost of AMCs for equipment & repairs and iii) other sundry expenses viz. waste management, stationery, vehicle maintenance etc.; and
- C) Eventually transition the entire procurement process to the Orion patient management system.

The following steps will be undertaken to implement the change.

- i) MRDC purchase department will order the materials required on a regular basis unlike once in a quarter as is being practiced presently.
- ii) MRDC material department (referred as MRDCMD hereafter) will prepare a complete list of all items to be procured by it. At the beginning of each quarter it will prepare a list of the primary supplier and a back-up supplier for 25% of the items along with the prices and the payment terms negotiated with both. These will be compiled after following the practice of three quotes. The above list will be presented for approval quarterly. The price of primary supplier will be lower than that of the back-up supplier.

This list and the prices approved at a time shall remain valid till the start of the same quarter next year.

iii) MRDCMD will also prepare for each item a reorder level and reorder quantity based on past consumption history and supplier lead time. Once the approval has been obtained as per ii) MRDCMD will place orders on the primary supplier accordingly without having to seek further approval for every order (the back-up supplier will be used only when the primary supplier is unable to supply at the time of the order).

iv) In case any primary supplier seeks a revision in price for any item, MRDCMD will freshly seek approval of revised prices after a due process of obtaining competitive quotes, which again will remain valid till the start of the next corresponding quarter.

v) The orders will be generated by MRDCMD on a regular basis comparing physical stocks with the reorder levels and no indent will be required to be given by the departments. Only when a new material is required, the same will be indented by the department concerned. Following that MRDCMD will obtain necessary quotations to recommend the primary and back-up suppliers along with their prices for approval. All purchase orders will be signed by the GM-Administration and the orders exceeding Rs 25,000 will be additionally signed by the Principal.

vi) Payments for the supplies will be approved by the Principal and executed by the GM-Administration basis the payment terms already approved. The payments will be made from the collection of the charges for treatment of patients.

vii) MRDCMD will submit a monthly report of the purchase made in a month in the first half of the subsequent month. The information in the report will include the total value of the purchase, payments and outstanding amounts among other details. It will also compare the cumulative purchases for any month against the corresponding collections for the treatment of patients. This will help the college continuously review its charges for treating patients so that there is no shortfall in the income to cover the expenses.

viii) MRDCMD will also circulate a monthly report of department-wise consumption of materials to all departments. This will be reviewed between the Principal and departments to evaluate the efficiency of material utilization while treating patients and make necessary improvements in the same.

ix) Soon after the implementation of the new procedure for the procurement of the materials as detailed above, discussion will be initiated with the vendor of Orion software to transition this procedure to Orion system. Necessary steps will be undertaken to generate all required monthly and other reports from the system itself. The time plan for these and estimate of costs, if any, will be shared once the initial discussions with the Orion vendor are completed.

**Context:**

Based on the present state of affairs, the following table represents the estimate of the annual income and expenditures on various heads of expenses, which appear by and large balanced.

|                             | Rs. Lakhs/Annum |
|-----------------------------|-----------------|
| Income from Patients        | 47.0            |
| Expenses on consumables     | 32.1            |
| Expenses on AMC and repairs | 6.0             |
| Other expenses              | 8.9             |
| Total expenses              | 47.0            |

**Praveen Mahajan**  
**GM- Administration**  
**MRDC**