

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MoU") made and executed on this 4th day of December'2010.

BETWEEN

Health and Family Welfare Department, Government of Assam, represented herein by **the Mission Director, NRHM and Secretary to the Govt. of Assam Health & FW Deptt.**, (hereinafter referred to as the "**GOVERNMENT of ASSAM**" which expression wherever the context admits or permits shall mean and include its permitted assigns) of ONE PART

AND

OPERATION SMILE India, a non-religious, charitable organization with its Registered office in New Delhi and having its Head Office in 6th Floor Mumbai Educational Trust, Gen A.K.Vaidya Chowk, Bandra Reclamation, General A.K.Vaidya Chowk, Bandra Reclamation, Mumbai 400 050 represented herein by its Director Partnerships Dalip Pande, aged about 57years herein after named, called and or referred to as "OS" (which expression shall unless excluded by or repugnant to the context to be deemed to mean and include its successors-in-office and assigns) of the OTHER PART.

(OS and the GOVERNMENT OF ASSAM are individually referred to as "Party" and collectively as "Parties")

- A. WHEREAS the GOVERNMENT OF ASSAM presently is the sole, absolute and lawful owner and is otherwise completely seized and possessed of the land on which the Mahendra Mohan Chowdhury Hospital, is built at Pan Bazar, Guwahati is in Kamrup Metro District which is more particularly described in **Part A of Schedule 1** to the MOU ("**Land**") ; and

A portion of the Land measuring approximately 6000 sq.ft and more particularly described in **Part B of Schedule 1** has been used to construct an approximately 8 (eight) surgical table in the cleft care centre (together with electricity, water and other utilities) referred to as the "**Hospital**"; or the "**Building**"

WHEREAS the GOVERNMENT OF ASSAM are looking for a party comprehensive who possesses the expertise and relevant experience to efficiently and also effectively develop, manage and operate a comprehensive cleft and child care centre on a 'public private partnership' basis catering primarily to the people of Assam; and

WHEREAS OS has been rendering the services of treatment to patients with Cleft lip and Cleft palate by setting up Missions in different parts of the country and Assam. They have provided these services free of cost to patients who cannot afford to bear the expenses of the treatment.

OS, based on their experience has now agreed to collaborate with the GOVERNMENT OF ASSAM to set up a permanent cleft care centre to provide year round services to the needy patients. It has now been agreed to set up a centre on the 2nd floor of the new wing of the Mahendra Mohan Chowdhury Hospital ("M.M.C. MHospital").

Objectives of Centre

- Provide year round surgeries
- Build local skills and human resources
- Bring costs down through engaging local human resources

1. State Government Obligations

- i. The Government of Assam has provided the complete 2nd Floor of the new wing of the Mahendra Mohan Chowdhury Hospital for setting up the Centre, a space of 6000 sq. feet as per drawing of the floor attached in the schedule.
- ii. The Government of Assam has given the responsibility of setting up the Centre to OS as per

- details in the proposal dated April 22nd 2010 on a turnkey basis.
- iii. The Government of Assam has approved the funding of Rs.3.86 crores for equipping and setting up of the Centre as per the quotation provided along with the proposal submitted on April 22nd 2010. Of the Rs.3.86 cores the Government of Assam has given an advance of Rs. 1crore to OS and the balance will be paid to OS India as per the schedule.
 - iv. Government of Assam through the MMC Hospital will provide all electrical connections and electrical supply with generator back up facility as required for running the centre at the cost of Govt. of Assam.
 - v. Water supply to the centre will be provided by the Government of Assam through MMC Hospital at no additional cost to OS.
 - vi. All housekeeping facilities required for the Centre will be provided by the Government of Assam, through MMC Hospital.
 - vii. The Government of Assam would provide all required support for necessary documentation like MCI Licensure, permissions, road permits approvals for the smooth running of the centre.
 - viii. Government of Assam will provide ward / wards for 25 – 30 beds for pre operative and post operative patients at the M.M.C. Hospital for patients being treated at the Centre. The wards would be furnished as per the norms of the M.M.C. Hospital including beds, bedside tables, IV stands, bed linen, nursing station furniture etc as would be required for running a surgery ward of the hospital. The house keeping infrastructure and manpower would be provided by Government of Assam through MMC Hospital as required by OS for safe patient care.
 - ix. The Government of Assam through NRHM Assam will provide manpower for the Centre on a full time basis for operative assistance as per details mentioned
 - a. Doctor's 10 in Plastic Surgery, 10 in Anesthesia, 2 in Pediatrics (specialist as mentioned here may not be available. Medical Officers can be provided whom Operation Smile can train and utilize for specific specialization.) and
 - b. Nurses – Pre and post operative 6, Recovery room 5 (1 Senior recovery room nurse), OT nurses 10 (1 Senior OT nurse)
 - x. The Government of Assam through NRHM will pay close to 50 % of the quantifiable cost of surgery per patient. The costs of surgery would be certified by a Chartered Accountant. OS will raise a bill every month giving details which would be mutually agreed to and NRHM would reimburse these to OS within 15 days after adjustment of advance. The cost per surgery is expected to progressively come down over time and stabilize at lower levels. will be monitored on a regular basis to track the progress. There would

be a point where the costs would stabilize at lower levels and these would be monitored and agreed to by both parties based on actual costs. This will be reviewed every year by a committee equally represented by Govt. of Assam and Operation Smile.

- xi. Operation Smile Inc would contribute technical knowhow, trained manpower, and medical supplies as its commitment to the Project
- xii. To facilitate in the Centre cash flow the Government of Assam, through National Rural Health Mission has agreed to provide an advance to OS as follows: a) For the November 2010 Mission their share of cost of per patient , this is estimated to be 500 patients at the rate of Rs. 19, 000 per patient b) Second advance will be provided by end December 2010 for an estimated 500 patients at the rate of 19,000 per patient. c) The 3rd advance will be provided by end February 2011 for 300 patients at the rate of Rs. 20,000 per patient.
- xiii. From April 2011 an advance equivalent to 50% of the quantifiable cost of surgery, which has been calculated @Rs.20,000/- x estimated nos of surgery. The balance amount will be released after ascertaining the number of surgery done in a particular Mission.
The Operation Smile will submit the Statement of Expenditure (SOE)/Utilization Certificate (UC) and Physical Performance Report for every Mission before release of further fund for next Mission.
Finally Operation Smile is to submit audited SOE/UC for adjustment of the advance.
- xiv. Government of Assam through MMC Hospital will treat the OS patients as indoor patients and all support in the form of food to patients and attendants, cash payment as per entitlement will be made to the patients.
- xv. Government of Assam through MMC Hospital would provide all necessary support, permissions and approvals for setting up and regular running of the Centre facilities, lift, parking area, security for the centre, broad band set up, communication set up.
- xvi. Government of Assam through MMC Hospital will permit usage of pathology facilities and radiology facilities to patients of the Centre.
- xvii. All medical and other waste from the Centre would be disposed of using the existing facilities at the MMC Hospital.
- xviii. NRHM will provide routine publicity for patient recruitment and support through District NRHM teams for patient recruitment.

2. Obligation of Operation Smile

- i. Equipments for running of the Centre has been purchased by Operation Smile through funding from

- the resources - the costs of these have been part shared by The Dorabjee Tata and Allied Trusts and the MAX BUPA Foundation totaling to Rs.1.86 crores.
- ii. OS has the responsibility to set up a cleft care centre of international standards as per the proposal submitted on April 22nd 2010. OS will use their vendors and monitor quality standards as discussed and agreed too.
 - iii. OS will be responsible for the smooth running and operations of the Centre for the duration of the agreement and shall then hand over the same to the Government of Assam.
 - iv. The **Surgical centre** will have the following:
 - a) A Surgery Suite that will support simultaneously **running operating tables** with an ability to ramp up to 8 tables depending on the requirement
 - b) **Integrated patient monitoring system**
 - c) **Fully wired, connected and configured for video teleconferencing for ongoing skills improvement for various specialties**
 - d) Outpatient **Speech Therapy** support to patients
 - e) **Counseling trained Child Life Specialists**
 - v. All equipment to be used at the Centre would become the property of the Government of Assam.
 - vi. Operation Smile will have 4 International medical personnel based at Guwahati to run the centre and provide surgical care to its patients. Operation Smile will have a team of 9 Doctors - 3 Plastic Surgeons, 3 Anesthesiologists, 3 Pediatricians who will run the Centre and will also impart required training inputs in the specialties to the local team of Doctors and Nurses provided by the Government of Assam to build skills in the local team to provide surgical services to cleft care patient.
 - vii. In addition there would be 2 specialists each in Plastic Surgery, Anesthesia, Pediatrics who would come to the Centre as mentors and work along with the team to supervise and monitor the local team and work along with them in providing surgical services to patients.
 - viii. In addition there would be 1 Dentist, 1 Speech therapist, 1 Child life specialist for providing complete care to cleft patients. These would be recruited by Operation Smile.
 - ix. Regular monitoring and review meetings would be conducted to ensure adherence to agreed objectives, standards, and guidelines agreed to for the Centre.
 - x. There would be non medical staff required to be run the Centre and Operation Smile will recruit the same based on the needs of the Centre. 1 Hospital Administrator, 1 PPP Manager, 1 Patient Coordinator, 1 supply coordinator, 1 Biomedical Technician, 1 Junior Biomedical Technician, 1 IT person, 1

Accountant, 2 people for Electronic Medical Records and Medical Records.

- xi. While the Government of Assam will provide 1/3 the cost of surgery per patient the balance 2/3 costs would be funded by OS through its local partners.
- xii. OS will take care of the International Doctors stay and local hospitality along with that of the visiting specialists.
- xiii. OS will work with the District NRHM teams towards patient mobilization. The responsibility of patient recruitment would be that of OS and they would be supported by regular publicity from NRHM on a pre agreed cycle and through IEC material which would be at NRHM cost.
- xiv. OS will set up and run "Skills laboratory" to provide training and skills improvement through usage of latest techniques and equipment as required. There would be no additional costs to be paid to OS for the skills improvement of the MBBS doctors in cleft surgery, anesthesia and pediatrics.
- xv. OS will provide all medicines and consumables required for providing patient care.
- xvi. The Tata Trust would be the other major financial contributor to the project and this will be arranged and managed by OS. The OS will be responsible to collect the share of expenditure from TATA trust.
- xvii. Effort should be made to replace the international doctors with the doctors from India in the long run to avoid cost and also for better compliance of MCI Regulation.

3. Relationship

Either party will not be a partner or agent of other party and does not have any power or authority, directly or indirectly, to bind the other party to any agreement with a potential customer or any other third party or otherwise to contract, negotiate or enter into a binding relationship for or on behalf of the other party, unless the same has been agreed upon between the parties in writing.

- i. The parties may by consent amend or alter this agreement for any purpose whatsoever including for the purpose of removing any difficulties on the implementation of this agreement.
- ii. In the event of any approval required from any authority for implementing this agreement, it shall be the joint responsibility of the Government of Assam and Operation Smile to produce such approval.

4. Jurisdiction

In the event of any dispute arising in respect of any matter relating to this agreement or in respect of its interpretation or implementation, the same may be referred for Adjudication/Arbitration under the law and the decision rendered

by the Arbitrator shall be final within the jurisdiction of Guwahati High Court.

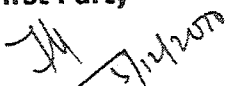
5. Currency of the agreement

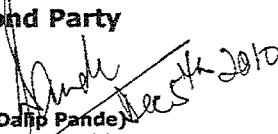
1. The MoU shall be deemed to have come into force from 4th December' 2010 and shall be valid for a period of 5 years (five years) unless extended further by mutual agreement upon performance of the obligations. The financial payments for cost per surgery The cost per surgery will be based on actual costs can be reviewed and amended, by mutual agreement of both parties, once every Financial Year.

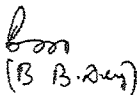
6. Termination of the Contract



This agreement may be terminated with minimum six months clear notice by either of the party unless otherwise mutually agreed upon.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET AND SUBSCRIBED THEIR RESPECTIVE HANDS TO THIS DEED OF AGREEMENT ON THIS DAY AND YEAR ABOVE MENTIONED.

First Party

(Dr. J.B. Ekka, IAS)
Mission Director, NRHM & Secy. to the
Govt. of Assam, H & F.W. Deptt., Assam

Second Party

(Mr. Dalip Pande)
Director Partnerships,
Operation Smile

Witness
1. 
(B.B. Singh)
2. Finance Coordinator.

Witness
1. 
2. 

SCHEDULE 1

Part A Land Details

[Please insert the relevant details/description]

Part B: Building

[Please insert the relevant details/description]