

**SUBJECT NO.49**

**Sub: - VUDA- VSP- Estt. – Providing of Security and other Services arrangements to various VUDA Establishments –Tenders Invited – Tender Accepted – Ratification- Reg.**

- Ref: 1. Tender Notice No.14796/08/A3,dated.1-2-2014  
 2. Corrigendum issued on 12-2-2014  
 3. Tenders received on 15-2-2014  
 4. Email dated.21-3-2014 from Sri.Brijendra Dubey, Coordinator, Transparency for better Society.  
 5. Legal opinion dated. 27-03-2014 of Sri N. Madhava Rao, Advocate,VSP.

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**AGENDA NOTE:**

Vide reference 1<sup>st</sup> cited, sealed tenders are invited from 1-2-2014 to 13-2-2014 under Two-Cover system (Technical Bid & Financial bid) from reputed Security Agencies having capacity to Provide integrated Security Services with required number of uniformed and trained manpower along with necessary equipment for maintaining the security and other services at various places within the jurisdiction of VUDA for a period of one year. Subsequently corrigendum was issued in respective papers on 12-2-2014 extending the last date for receipt of tenders up to 15-2-2014 due to bank officer's strike.

In response to the tender notice, 8 tenderers have submitted their tenders and the Technical Bids of all the 8 tenders were opened on 15-2-2014 at 4.00 PM

<b>Sl. No.</b>	<b>Name of the Bidders</b>	<b>Points observed in technical evaluation</b>	<b>Bidders eligible/ Not eligible</b>
1	M/s Sai Security Services, Visakhapatnam	As all the conditions was met by M/s. Sai Security Services, Visakhapatnam, the bidder is eligible for opening of financial bid	Eligible
2	M/s. Scotland Security Services, Visakhapatnam	As all the conditions was met by M/s. Scotland Security Services, Visakhapatnam, the bidder is eligible for opening of financial bid	Eligible
3	M/s. Sri Sai Investigation and Security Services, Visakhapatnam	As all the conditions was met by M/s. Sri Sai Investigation and Security Services, Visakhapatnam, the bidder is eligible for opening of financial bid	Eligible
4	M/s. Safeguard Industrial and Security Services, Pvt. Ltd., Visakhapatnam	As all the conditions was met by M/s. Safeguard Industrial and Security Services, Pvt. Ltd., Visakhapatnam, the bidder is eligible for opening of financial bid	Not Eligible
5	M/s NRI Security Services, Visakhapatnam	M/s. NRI Security Services, Visakhapatnam has not furnished License, ISO, list of Ex-Servicemen/	Not Eligible

		Civilian, hence not eligible for opening of financial bid	
6	M/s. Kalki Human Power and Security Svices, Visakhapatnam	M/s. Kalki Human Power and Security Services, Visakhapatnam has not furnished experience Certificates, EPF & ESIC roles ISO, list of Ex-Servicemen/ Civilian, hence not eligible for opening of Financial Bid	Not Eligible
7	M/s. Black Cat Security Services, Visakhapatnam	M/s. Black cat Security Services, Visakhapatnam has not furnished Experience Certificates to an extent of Rs.00 Lakhs hence not eligible for opening of Financial Bid.	Not Eligible
8	M/s. Sri Sai Coastal Manpower Suppliers, Visakhapatnam	M/s. Sri Sai Coastal Manpower Suppliers, Visakhapatnam has not submitted experience certificate to an extent of Rs.70.00 Lakhs hence not Eligible for opening of Financial Bid	Not Eligible

After technical evaluation of all the 8 tenders received, 4 Nos. of Tenderers disqualified as they have not fulfilled the required documents and evaluation criteria. The balance Four Tenderers are i.e. 1)M/s. Sai Security Services, Visakhapatnam, 2) M/s. Scotland Security Services, Visakhapatnam, 3) M/s. Sri Sai Investigation and Security Services, Visakhapatnam and 4) M/s Safeguard Industrial and Security Services Pvt. Ltd., Visakhapatnam have satisfied in the technical evaluation criteria and are eligible for opening of Financial Bids.

The financial bids of the above four bidders were opened in presence of representative of the above firm's on 10-03-2014 at 4.00 P.M. by Secretary, VUDA and the status of Financial Bids are as follows :

Sl. No.	Name of the Agency	ECV (Rs)	% less / Excess	TCV (Rs.)	Rating
1	M/s. Scotland Security Services, Visakhapatnam	1,09,00,968/-	0%	1,09,00,968/-	L-1
2	M/s. Sri Sai Investigation and Security Services, Visakhapatnam	1,09,00,968/-	0.09% excess	1,09,10,778.87	L-2
3	M/s Safeguard Industrial and Security Services Pvt. Ltd., Visakhapatnam	1,09,00,968/-	1% Excess	1,10,09,977.68	L-3
4	M/s. Sai Security Services, Visakhapatnam	1,09,00,968/-	3% excess	1,12,27,997.04	L-4

M/s. Scotland Security Services, Visakhapatnam has quoted 0% excess which is in between the limits of tender conditions i.e. 'The bidder shall quote in between 0% and 5% only' and the value of tender is worked out to Rs.1,09,00,968/- against the ECV of Rs.1,09,00,968/-.

Vide reference 4<sup>th</sup> cited, e-mail compliant was received from Sri.Brijendra Dubey, Co-ordinator, Transparency for better Society has stating that they are group fighting for transparency in Government offices and Private offices for a better society, in this regard they sated that some firms are quoting Zero percent service charges in the bids is illegal, which will promote more corruption and

requested to not accept any such bids which are illegal / unethical as per different guidelines.

In view of the above, the file was referred to Sri.N.Madhava Rao, Advocate and Standing Council to VUDA for Legal opinion whether "Zero percent bids can be accepted in the light of the compliant received from Sri.Brijendra Dubey, Co-ordinator, Transparency for better Society. Sri.N.Madhava Rao, Advocate and Standing Council to VUDA has submitted his Legal opinion vide reference 6<sup>th</sup> cited as follows:

"As per the finance bids the status of the four eligible bidders were arranged in ascending order from 0% from 3% as L-1 to L-4. M/s Scotland Security Services, Visakhapatnam has quoted 0% excess which is in between the limits of the tender conditions and placed at L-1. M/s Scotland Security Services, Visakhapatnam has been recommended as the tenderor quoted 0% and being the lowest tender.

In this connection, it can be stated that the so called agency viz., Transparency Group is a total stranger to the tender process relating to awarding the subject work. The said group is not one of the tenderors. Hence, the Transparency Group has no locus standi to question or rise any objection with respect to the tender process and its finalization.

Further, the said e-mail pertains to "in case a service provider quotes 0% as service charge". In the instant case there is no service provider and hence the service charge does not arise. At best it would be applicable in a case where VUDA hires the services of any agency to call and finalize the tenders. In the instant case VUDA itself invited tenders, constituted a committee consisting of the Heads of the Department and opened the tenders and listed them as per its eligible and financial criterion. Hence collection of service charges does not arise and the objection raised in the e-mail of M/s Transparency Group even if tenable is not attracted in this case.

There is no bar nor prohibition for accepting the tender of 0%. "*The bar or prohibition is in a case where there is any arbitrariness or favoritism or mala fides in the action of the employer*" as per the law laid down by Justice N.V. Ramana in the case of M/s Nagarjuna Constructions Co. Ltd., Hyderabad and another vs Infrastructure Corporation of Andhra Pradesh, Hyderabad and others reported in 2009 (5) ALD Page-422. The Supreme Court in the Judgement in the case of M/s B.S.N. Joshi & Sons Ltd., Vs Nair Coal Services Ltd., & others delivered by S.B. Sinha and DALVEER BHANDARI JJ reported in AIR 2007 ( SC) 437 held that " a decision to award contract to a contractor was taken in interest of organization – Said decision

*being taken in public interest should ordinarily be not interfered with". " Exercise of powers by employer – when shown to be fair, reasonable and bona fide – court should not interfere.*

When a decision is taken by the appropriate authority upon due consideration of the tender documents submitted by all the tenderors on their own merits and if it is ultimately found, that successful bidder had in fact substantially complied with the purport and object for which essential conditions were laid down that decision shall not be interfered with. Where a decision has been taken purely on public interest such decision would not be interfered with.

In the Judgement of the case Radiant Info Systems Ltd., Bangalore Vs A.P. State Road Transport Corporation, Hyderabad and others delivered by C.V. NAGARJUNA REDDY, J. reported in 2011 (3) ALD page-145 it is held that “ *Except in cases of irrationality, mala fides and patent arbitrariness, Court would not exercise power of judicial review to scuttle tender process*”. Hence as long as the tender process is rational, bona fide and patently transparent, the exercise of power of decision making would not be questioned.

In the Judgement of the case Sri Laxmi Engineering Company and others Vs Govt., of Andhra Pradesh and others delivered by C.V. NAGARJUNA REDDY, J. reported in 2013 (3) ALD Page -704 it is held that “ *only the decision making process and not merits of decision would be examined by High Court. If the decision making process is arbitrary, irrational, unreasonable, bias or mala fide, that decision only requires interference but not otherwise*”. In the judgement of the case Soma-CGGC JV, a Joint Venture, Hyderabad Vs Govt. of Andhra Pradesh and others delivered by NOUSHAD ALI, J., reported in 2013 (6) ALD Page -683, it is held that “ *Tender bid – Merits and de-merits of bidders – Evaluation of – and selection of best possible bidder – Within domin of Bid Authority – So long as Bid Authority makes its decision on basis of some relevant material, however, small the material is insufficiency or otherwise of material cannot be relevant ground to overrule decision- It is not for court to re-evaluate material and replace its own opinion, even if it appears more plausible than opinion of Bid Authority*”. In the judgement of the case ICOMM Tele Ltd., Hyderabad Vs Southern Power Distribution Company of A.P. Ltd., Tirupathi, Chittoor District and others delivered by G.V. SEETHAPATHY, J. reported in 2013 (3) ALD Page-667 it is held that “ *in absence of any arbitrariness of discrimination or mala fides, court not to interfere with administrative policy decisions.*

It can therefore be said that the Law is thus very clear that as long as the decision making process is fair, reasonable, transparent, judicious and bona fide, the actions, cannot be questioned. In the instant case no mala fides, arbitrariness or unreasonableness or bias is attributed. The objection raised is by a party who has no locus standi. Hence the e-mail received by the learned Vice Chairman, VUDA on 21-03-2014 from Transparency Group can be ignored and the recommendations to award the work of security and other services in VUDA for a period of one year can be accepted as recommended in favour of M/s Scotland Security Services, Visakhapatnam as per the note submitted."

In view of the above the lowest tender of M/s. Scotland Security Services, Visakhapatnam is accepted by the Vice Chairman, VUDA duly according Administrative sanction of Rs.143.00 Lakhs towards Security & others services for period of one year.

Hence, the matter is placed before the VUDA board for kind perusal and ratification.

Sl. No.	Subject No.	Subject	Resolutions
50	49	VUDA- VSP- Estt. – Providing of Security and other Services arrangements to various VUDA Establishments –Tenders Invited – Tender Accepted – Ratification- Reg.	<b>Ratified the action taken.</b>
51	50	VUDA – VSP- Revenue Section – Allotment of 6656 S.Ft in 2nd floor MVP Sector – 12 in favour of IGNOU – renewal of Licence Period – Approval – Reg.	<b>The proposal of extension is considered for IGNOU as proposed.</b>
52	51	VUDA – VSP- Providing the premises of Vaisakhi Kala Vedika in the VUDA Park to conduct the aerobic classes – Allotment on lease initial period of 6 Months – Ratification – Requested.	<b>Ratified the action taken.</b>
53	52	Engg – VUDA - Construction of Fly-over (ROB) at (Gopalapatnam to Kothapalem), Visakhapatnam duly sharing the cost in the ratio of 40:30:30 between Government, GVMC and VUDA including proportionate ratio of Railway portion- Administrative Sanction accorded by Government - Draft subject placed before Board for perusal – Reg.	<b>Perused the matter.</b>

*[Handwritten signature]*  
 11/11/2017