

SUBJECT:- 40

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Subject:- Engg. - Tenders - Negotiation and finalisation of tender procedure as per PWD Code - Ratification - Reg.

Ref:- 1) VUDA Resolution No. 635, Dt. 3-7-94.

AGENDA NOTE:

In Erstwhile Town Planning Trust and also VUDA the procedure laid down in A.P. P.W.D. Code is adopted while finalisation of tenders till 3-7-94 ie., the V.U.D.A. Resolution No. 635, Dated, 3-7-94.

As per the VUDA Resolution Subject No. 635, all the 3 lowest tenderers are negotiated at a time in finalisation of tenders.

In accordance with the above Resolution while finalising the tender at present, all the 3 lowest tenderers are being called for negotiations and their revised offers requested. This is being done collectively from the 3 lowest tenderers. Due to this process irrespective of the original difference within the 3 tenders, in some cases the tenderer who was highest within the 3 is becoming the lowest in the revised offers and getting the work. Further no credit is being given for his quoting the lowest rate initially and the secrecy of rate in the revised offers could be questioned as the offers are revised in opinion letter at different times.

The procedure now being followed as per the Resolution No. 635 (ie.) negotiations with lowest three tenders is not in accordance with the rules prescribed in A.P. P.W.D. Code Section 55 ( Page 1008 ) Para 13.

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As per the rules prescribed in A.P. PWD Code when negotiations are resorted to, the competent Authority shall first negotiate with the lowest tender only and in the event of his refusal to reduce the rates to the extent desirable by either authority, negotiations shall be had with the next higher tenderer.

As per Para 156 of 'D' Code the following procedure has to be followed in finalisation of tender.

In selecting the tender to be accepted, the financial status of the tenderers, their capability, the security offered by them of the record of their execution of any works previously, should be taken into consideration. Other conditions being equal, the lowest tender should be accepted. In case where a tender other than the lowest is accepted, a confidential record should be kept of the reasons for doing so. Specific data with reference to the financial solvency, income-tax paid, the ability of the contractor to execute the work, security offered by him, the names of at least some works executed formally by the contractor amount involved therein and the conduct and performance of the contractor during the execution of work should be given. This information should be furnished not only in respect of the tenderer whose tender has been accepted but also of the tenderers whose tender has been rejected. The relative merits of the various contractors concerned should be discussed and cogent reasons should be given while rejecting lower tenders, if they are to be rejected. This confidential record should be shown to the Inspecting Officer of the Audit Department, if required.

In addition, in cases where it is proposed to accept a tender other than the lowest, the authority competent to accept the tender should, immediately after accepting it, make a report indicating the reasons for accepting a higher tender to the next higher authority, who shall scrutinise the report carefully and call for more details if necessary. The Superintending Engineer or Executive Engineer as the case may be, should bring to the notices of the higher authorities cases in which the rule about the acceptance of the lowest tender has been departed from without sufficient justification.

The acceptance or rejection of tenders, is however, left entirely to the discretion of the officer to whom the duty is entrusted and no tenderer can demand the cause of rejection of his offer.



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In view of the above statements, it is desirable that VUDA to follow the tender rules prescribed in A.P. PWD Code as followed previously prior to the Resolution No.635, Dated. 3-7-94.

The Vice-chairman, VUDA ordered to follow the procedure as per A.P. P.W.D. Code revoking the procedure now adopted as per Resolution No. 635, Dt. 3-7-94 as regards negotiations.

Hence the matter is placed before the VUDA Board for perusal and ratification to follow A.P. P.W.D. Code in toto including as regards negotiations also.