

MUNICIPAL CORPORATION OF HYDERABAD TENDER RULES, 1970

CONTENTS

1. Short title and commencement
2. Definitions

PART 1 :- Rules for the invitation and disposal of Tenders for Municipal Works, Constructions, etc.

3. .
- 3A. .
4. .
5. .
6. .
7. .
8. .
9. .
10. .
11. .

PART 2 :- Rules for the invitation and disposal of tenders relating to supplies of materials, goods, etc., to the Corporation

12. .
13. .
14. .
15. .
16. .
17. .
18. .

MUNICIPAL CORPORATION OF HYDERABAD TENDER RULES, 1970

In exercise of the powers conferred by sub-section (1) of Section 585 of the Hyderabad Municipal Corporations Act, 1955 (Hyderabad Act II of 1956), the Governor of Andhra Pradesh hereby makes the following Rules relating to the invitations and disposal of tenders for Municipal Works and for the supply of materials, goods etc., the same having been previously published at pages 598 to 603 of Part II of the Andhra Pradesh Gazette, dated the 31st December 1964, as required by sub-section (3) of Section 585 of

the said Act.

1. Short title and commencement :-

(1) These rules may be called the Municipal Corporation of Hyderabad Tender Rules, 1970.

(2) They shall come into force on the date of publication in the Andhra Pradesh Gazette, (i.e., from 23-4-1970).

2. Definitions :-

(1) In these rules, unless the context otherwise requires:-

(a) 'Act' means the Hyderabad Municipal Corporations Act, 1955 (Hyderabad Act II of 1956),

(b) 'Corporation' means the Municipal Corporation of Hyderabad;

(c) 'Council ' means the General Body of the Municipal Corporation of Hyderabad;

(d) 'Standing committee' means the Standing Committee of the Municipal Corporation of Hyderabad constituted under Section 93 of the Act.

(e) 'Contractor' means a person, firm, or Corporation with whom an agreement has been made by the Commissioner or any Gazetted Officer duly authorised by him in that behalf for executing work defined in the concerned agreement and for purpose of instruction, regarding compliance with contract conditions and shall include the contractor's authorised agent, who is maintained on the work by the contractor.

(f) Words used but not defined in these rules shall have the meaning assigned to them in the Act.

PART 1

Rules for the invitation and disposal of Tenders for Municipal Works, Constructions, etc.

3. . :-

(1) The Commissioner, Municipal Corporation of Hyderabad or any Gazetted Officer duly authorised by him in this behalf shall invite tenders for every contract for the execution of work the estimated cost of which exceeds [ten] thousand rupees:

Provided that tenders may not be called for in case of contracts for

works, relating to war and civil defence and any other work or works that may be required to be executed by the Commissioner in an emergency for the service or safety of the public or the protection of the property of the Corporation under any of the provisions of the Act.

[Provided further that the Standing Committee or any other Special Committee duly authorised, in case the amount of contract exceeds fifty thousand rupees but does not exceed one lakh rupees and the Council in case the amount of Contract exceeds one lakh rupees but does not exceed two lakh rupees may at the instance of the Commissioner and for the reasons which shall be recorded in its proceedings authorise the Commissioner to enter into a contract for any work without inviting tender.].

(2)

(i) The Commissioner, or the Superintending Engineer, authorised by the Commissioner in this behalf may nominate any registered contractor of the Corporation for works whose estimated cost is [one lakh rupees] or below in each case at estimated rates only when the work is of urgent nature leaving no time to invite tenders or when there is no response from any registered contractor of the Corporation even after inviting tenders twice as per the procedure prescribed in the Public Works Department Code:

(ii) The Standing Committee or any Special Committee duly authorised may, in an emergency, nominate any registered contractor of the Corporation for works whose estimated cost exceeds [rupees one lakh] but does not exceed [rupees two lakhs] in each case at estimated rates, at the instance of the Commissioner. Provided that in the case of works whose estimated costs exceed rupees five thousand but do not exceed fifty thousand, the Standing Committee may nominate only when no tenders have been received after they are invited twice.

(iii) The Commissioner may, with the previous approval of the Council and the Government nominate any registered contractor of the Corporation for works, whose estimated costs exceed [rupees two lakhs] in each case at estimated rates, in case no tenders are received after they are invited twice. (c) For works which are required by the Government to be executed by or under Section 176, 491(1) 565(1) (a), 639 and 677(a) of the Act, the Commissioner may execute such work or works in anticipation of

the administrative sanction of the estimates when such sanction is necessary:

Provided that in an emergency, the Commissioner may nominate any registered contractor of the Corporation for such works on such terms and at such rates as the Government may approve.

3A. . :-

(1) In respect of any work the estimated cost of which is rupees fifty lakhs or more the Commissioner shall give notice specifying the following pre-qualifications:-

(a) Name of the Contractor of Firm;

(b) Financial Status;

(c) Details of experience in the execution of works of similar nature;

(d) Equipment and machinery possessed;

(e) Qualification of personnel employed including the technical personnel;

(f) List of major works of similar nature completed by the agency or under execution;

(g) Any other relevant information".] The notice shall be published in atleast three daily news papers of nation wide circulation. After receipt of the applications, the applications shall be placed before a Committee consisting of the three members of whom one shall be an officer of the rank of the Chief Engineer. The Committee shall scrutinise and evaluate the applications placed before it and select the applicants for issue of tender schedules relevant to the works to be awarded. Tender Schedules shall be issued to the selected applicants after approval by the Government.

(2) The Committee shall also scrutinise the tenders received and make recommendations to the Commissioner who shall deal with the tenders in accordance with the provisions of the Act.

4. . :-

(1) Tenders in sealed covers shall be invited in the most open and public manner possible. Notice calling for tenders shall invariably be published in important local news papers having wide circulation at least in the State of Andhra Pradesh in respect of all works. In case

of large contracts, the last date of receipt of tender should be at least one month after the date of first advertisement or notice. The paper for publication has to be made in respect of works whose costs exceed rupees one lakh as per note of item IV of para 154 of the Andhra Pradesh Public Works Department Code.

(2) Every tender notice published shall state:

- (i) When and where the contract documents can be seen;
- (ii) When and where the blank forms of tenders can be obtained;
- (iii) When and where the tenders are to be submitted and to be opened;
- (iv) The amount of earnest money to accompany the tender and the amount and the nature of security deposit required in the case of accepted tender. In case of lumpsum contracts the amount of earnest money and that of additional securities and in case of piece works contract the amount of earnest money;
- (v) Production of certificate of income tax verification from the appropriate income tax authorities in the form prescribed thereof and tenders submitted without income tax verification certificate are likely to be summarily rejected;
- (vi) With whom the acceptance of contract will rest and period of completion of works;
- (vii) The Standing Committee or any Special Committee duly authorised reserves the right to reject all or any of the tenders so received without assigning any reasons therefor.

5. . :-

Tenders must be opened either by the Commissioner or by any Gazetted Officer authorised by him in this behalf at the time and place specified in the notice inviting tenders in the presence of tenderers or their authorised agents who may choose to be present at the time. The Officer opening the tender shall also initial all corrections in each tender, which have been initialled by the tenderer. If there are corrections in the tender unattested by the tenderers, the note of such corrections should be made on the tender itself, when it is opened. The tenders should then be tabulated and scrutinised by the Commissioner or any Gazetted Officer authorised by him. The comparative statement shall be placed before the appropriate authority with the recommendation

of the Commissioner or any other Gazetted Officer authorised by him for orders. Tenders will not be accepted from any person, who is directly or indirectly connected with the Government or Municipal Corporation Service. All tenders should invariably be received in the office of the tender accepting authority who is tender inviting authority and not at his residence or any other place. Tenders must be submitted in sealed covers and should be addressed to the tender inviting authority, the name of the tender and the name of the work being noted on the cover. The officer opening the tenders should keep a personal note of the total number of tenders opened by him and verify them with the number in the comparative statement of tenders. Before the selection of the tenderer, the officer concerned should examine all the tenders and satisfy himself that no corrections which were not in the tender at the time he received them had been made in any of them, subsequently. In selecting the tender to be accepted, the financial status of the tenderers, their capacities, the security offered by them or record of their execution of any work previously, should be taken into consideration, other conditions being equal, the lowest tender should be accepted:

Provided that in case of work whose estimated cost does not exceed [rupees two lakhs], the Commissioner or any Gazetted officer authorised by him shall decide to whom the work is to be given [xxx].

6. . :-

The lowest tender shall ordinarily be accepted. In case when the tender other than lowest tender is accepted, confidential records should be kept of the reasons for doing so. This confidential record should be made available to the inspecting officers of audit department if required.

7. . :-

Where the capacity for work and the integrity of a tenderer are not known, his tender need not necessarily be rejected but extra security of five or ten per cent may be taken where circumstances, warrant such a course.

8. . :-

When the lowest tender is rejected for reasons recorded, the next lowest tender shall be accepted unless adequate grounds can be assigned for rejecting that tender also.

9. . :-

Tenders offering the percentage reduction from or increases on the estimated amount, and those that are not submitted in proper form in due time will be rejected. Rates or lumpsum amounts for items not called for shall not be included in the tender. No alteration in the contract forms, the drawing specification of quantities accompanying the same will be recognised and if any such alterations or modifications are made, the tender will be void.

10. . :-

A tenderer shall not be asked to reduce any of his tendered rate or rates. But the tender deciding authority or tender accepting authority may negotiate with the lowest tenderer for one or more items are pitched up too high by the lowest tenderer. In such case the tender deciding authority or the tender accepting authority may request the lowest tenderer in writing to reduce them to reasonable rates.

11. . :-

(1) There shall be no avoidable delay in the disposal of tenders after they are received and in no case shall the period exceed one month. In cases where the tender falls beyond the competence of acceptance by the Corporation, the authority calling for tenders shall have the right to extend the time up to the limit required for the disposal of such tender.

(2) Notwithstanding anything contained in the aforesaid rules the following concessions shall be sanctioned in the matter of awarding of works to Co-operative Societies consisting of members of the Scheduled Castes and the Scheduled Tribes and the Weaker Sections who happen to be unemployed or retrenched engineers and the Labour Co-operative Societies formed of Wadders;

provided:-

(i) The members of the Labour Contract or Harijan/Girijan Co-operative Societies may be treated as Class III Contractors;

(ii) No solvency certificate need to be insisted upon for the purpose of registration;

(iii) Exemption from collecting Earnest Money Deposit in the case of works costing upto Rs. 1.00 lakh in respect of individuals and for works costing upto Rs. 10.00 lakhs entrusted to the Co-operative

Societies comprising members of Scheduled Castes, Scheduled Tribes and Wadders may be allowed;

(iv) Advances may be given to the Societies comprising the Youth and the labour through the agencies like the Scheduled Castes Co-operative Finance Corporation or Banks. The amount advanced should be recovered from the works bills. Officers incharge of the works should closely guide and help the Societies in executing the works entrusted to them.]

[(v) The works in the Municipal Corporations may be entrusted to these Societies on nomination by the Commissioner upto the value of Rs. 1,00,000/- in ordinary circumstances and upto Rs. 1,50,000/- in emergency; and by the Standing Committee upto a value of Rs.2,00,000/- in ordinary circumstances and upto Rs. 2,50,000/- in emergency;

(vi) Atleast 15% of works in the Municipal Corporations shall be reserved for entrustment to these Societies and the individuals who happen to be unemployed and retrenched Engineers belonging to the Scheduled Caste, Scheduled Tribe and Waddera Communities.

PART 2

Rules for the invitation and disposal of tenders relating to supplies of materials, goods, etc., to the Corporation

12. . :-

(1) In respect of supplies of materials goods or services, etc.(rather than those for the execution of works) whose estimated cost in rupees [twenty five thousand] or below, tenders may be dispensed with, if the Commissioner considers such a course is necessary for administrative convenience:

Provided that the Standing Committee or any special Committee duly authorised in this behalf in case the amount of contract exceeds [one lakh] rupees but does not exceed [two lakh] rupees, and the Council, in case the amount of contract exceeds ten thousand rupees but does not exceed twenty five thousand rupees may at the instance of the Commissioner and for the reasons which shall be recorded in its proceedings authorise Commissioner to enter into a contract for the supply of materials, goods or services etc.(other than those for the execution of works) without inviting tenders.

(2) Tenders shall be opened by the Commissioner or any Gazetted

Officer authorised by him in this behalf at the time and space specified in the notice inviting tenders in the presence of such of the tenderers or their authorised agents as may be present. On opening the tenders, the Commissioner or any Gazetted Officer authorised by him in this behalf shall initial all corrections in each tender which may have been made and attested by the tenderer, a note of such correction shall be made on the tender itself when it is opened. The tenders shall then be tabulated and scrutinised by the Commissioner or any Gazetted Officer authorised by him and placed before the Standing Committee or any Special Committee duly authorised with his recommendation for orders. If the contractor produced a valid income tax verification certificate for the first work or supplies rendered by him, at the commencement of the official year, the same may be considered as valid for all the works and supplies subsequently tendered by him during the course of the said year. Detailed reference should however be given by the tenderer to the Income tax verification certificate submitted earlier in the covering letter accompanying his subsequent tender.

(3) The lowest tender shall ordinarily be accepted. Where it is considered undesirable to accept the lowest tender, the reasons shall be clearly recorded and made available for purposes of audit.

(4) A tender shall not necessarily be rejected for the reason that the capacity for supply or the integrity of a tenderer is not known. In such cases such additional security, as the authority competent to accept the tenders considers necessary shall be taken from the tenderer if the circumstances warrant such a course.

(5) Where the lowest tender is rejected, the next lowest tender shall be accepted, unless there are adequate grounds which shall be recorded for rejection of that tender also.

(6) Notwithstanding anything in sub-rules (3) to (5) the authority competent to accept tenders may in suitable cases refer the matter to such authority, as may be specified by the Government and accept the tender recommended by that authority.

(7) In no case shall a tender be accepted at rates other than those specified in that tender.

(8) There shall be no delay in the disposal of the tenders, after they are opened. Ordinarily, they shall be disposed of within a week of the date on which they are opened and in no case shall tenders remain undisposed of for a period exceeding one month.

(9) In case where tenders are not received, fresh tenders shall be invited and if tenders are not received even then, quotations shall be invited. The procedure to be followed after the receipt of quotations shall as far as possible, be the same as that laid down for the disposal of tenders.

13. . :-

In selecting tenders for electrical and mechanical plant and equipment, the tendered price is not the only factor to be considered. Particular attention shall be paid to efficiency, running cost, durability of materials, reliability of guarantees, necessity for repair and attention, saving in spare parts due to standardisation purpose in view and technical qualifications and financial standing of the tenderer.

14. . :-

(1) Tenders referred to in Rule 12 shall be invited by the Commissioner or any Gazetted Officer authorised by him in this behalf in sealed covers in the most open and public manner possible.

(a) In all cases, by a notice in the language or languages of the District, posted at the offices of the Municipal Corporation and at such other place as the Commissioner, or any Gazetted Officer authorised by him may deem fit; and

(b) When the cost exceeds rupees three thousand by advertisement in at least one newspaper circulating in the district and the State.

(2) Every notice and advertisement published under sub-rule (1) shall state inter alia.

(i) The conditions under which and the officer from whom a copy of the Schedule of quantities of the various kinds of articles can be had, if they cannot be mentioned in detail in the notice of advertisement.

(ii) The price form of tendering, i.e., whether the prices for various articles are to be quoted and whether the comparative value of the tender will be examined with reference to each article mentioned in the schedule of quantities or for all articles conjointly or for a group of articles;

(iii) For tenders upto a value of rupees one lakh and above a minimum period of one month from the date of publication of notice, may, be given for submission of tenders. For tenders upto a value between rupees fifty thousand and rupees one lakh a minimum period of fifteen days may be allowed. For tenders of less than rupees fifty thousand, a period of ten days may be allowed;

(iv) When and where they are to be opened;

(v) The amount of earnest money which should accompany the tender and the amount and nature of security required in case the tender is accepted;

(vi) The authority competent to accept the tender;

(vii) The authority competent to accept the tender reserves the right to reject any or all the tenders received without assigning any reasons; and

(viii) The earnest money of a tenderer who withdraws his tender without valid reasons within two months from the date of receipt of tenders by the tender inviting authority shall be forfeited.

15. . :-

These rules shall not apply to the purchase of ;-

(i) Stores, through the Director-General, Supplies and Disposals, Government of India, through the Stores Department or the State General Stores Purchase Department;

(ii) Articles from the metal and timber workshop and factories by the State Government for resettlement of ex-servicemen;

(iii) Bulls by the Corporation for conservancy and other purposes;

(iv) Controlled articles at controlled rates through a permit issued on orders of the Government or their agents;

(v) Articles manufactured in factories, industrial training-cum-production Centres and workshop by the State Government or Centres of an equal status;

(vi) Articles stored at the Government Sales Emporium;

(vii) The articles manufactured in the workshops and units run by or under the management of the Andhra Pradesh Small Scale Industries Development Corporation.

16. . :-

Notwithstanding anything in Rules 13 and 14, the Standing Committee or any Special Committee duly authorised in this behalf may with the previous sanction of the Government dispense with tenders in respect of the following or similar classes of cases, namely:-

- (i) Supply of materials, goods, or services relating to war and civil defence measures;
- (ii) Supply of materials or goods which are patented or are manufactured and sold solely by particular companies or firms, or their authorised agents; and
- (iii) Standard materials or goods the prices of which are liable to continuous fluctuations due to the unsettled conditions of the market.

17. . :-

In placing orders for the supply of materials or goods, etc., required by the Corporation, preference shall be given to the materials or goods manufactured by the industries located within the limits of the Andhra Pradesh State over similar materials or goods manufactured outside the Andhra Pradesh State, by giving the following price preferences, if necessary:-

- (i) Indigenous materials or goods over imported ones; upto 15 per cent price preference;
- (ii) Materials or goods manufactured within the limits of the Andhra Pradesh State, 5 per cent price preference over other Indian Products;
- (iii) Materials or goods manufactured by Cottage and Small Scale Industries, 10 per cent price preference;
- (iv) Materials or goods manufactured by Co-operative Societies, 5 per cent price preference over others; and
- (v) Materials or goods manufactured within the limits of the Andhra Pradesh State with Indian Standard Institute marks, 2 per cent price preference, over similar other products which do not conform to the Indian Standard Institute standards, in addition to the above mentioned four categories of price preference.

18. . :-

The Commissioner shall maintain or cause to be maintained a tenders register in the form prescribed in Annexure I to these rules. The tender register shall be scrutinised by the officer empowered by the Commissioner to invite and dispose of tenders for every contract either for the execution of works or for the supply of materials, goods atleast once in a month and certify as to the correctness of the entries made in the register with reference to the regional tender or tenders which shall be preserved and made available for audit. The tender register together with recommendations of the Officer empowered to invite and dispose of tenders shall be submitted to the Commissioner as and when required by him.