

THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM

WRIT PETITION No. 10893 OF 2017

ORDER :

This Writ Petition has been filed to declare Resolutions No. 538 and 539 dated 30.01.2017 passed by the 2nd respondent Rayachoty Municipality rejecting the bids submitted by the petitioner for awarding the contract work, pursuant to the Tender Notice Nos. 91/192/E1/2016 and 92/192/E1/2016, dated 25.11.2016, as illegal and arbitrary.

The case of the petitioner is that he has participated in the tender process pursuant to the notification dated 25.11.2016 for laying C.C. road and became the successful bidder. In spite of the fact that the tenders were opened, even as on date, no work order has been issued in favour of the petitioner. When the petitioner approached the Commissioner representing the 2nd respondent Municipality, he was informed that the Municipal Council, through its Resolutions No. 538 and 539, had rejected the bid made by him.

Learned counsel for the petitioner submits that the Resolution of the Council dated 30.01.2017, in particular Resolutions No. 538 and 539 do not disclose the reasons why the bid submitted by the petitioner, though the lowest one, was rejected. The learned counsel, by pointing out Rule 6 of the Tender Rules, submits that no reasons were recorded by the Council for rejecting the bid of the petitioner. Hence, he seeks to set aside the resolution on the ground of its being contrary to Rule 6 of the Tender Rules.

Learned Standing Counsel Sri Mohd. Saleem, based on the written instructions obtained from the 2nd respondent, submits that the Municipal Council, in its meeting dated 30.01.2017, having considered the unavailability of funds, had taken a decision to reject the tenders. In those circumstances, the learned Standing Counsel submits that Rule 6 of the Tender Rules has no application to the case on hand.

Having considered the respective submissions, at this stage, it is not necessary for this Court to decide whether Rule 6 is applicable or not to the present case, inasmuch as the learned counsel for the petitioner, considering that there is some gray area whether a Council can be represented by a Commissioner, submits that a direction may be issued to the respondents to communicate the reasons for rejection of the offer of the petitioner.

The Writ Petition is therefore, disposed of with a direction to the 2nd respondent to communicate the Resolution of the Council and also the reasons for non-acceptance of the petitioner's bid. It is also open for the 2nd respondent to give the details in relation to sanction of funds and other details relating to finance. No costs.

Consequently, the miscellaneous Applications, if any shall also stand disposed of.

CHALLA KODANDA RAM, J

12th April 2017

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