

## **INTEGRITY PACT**

*(To be submitted by bidder on non-judicial stamp paper of Rs. 100/- (Rupees Hundred only) duly attested by Notary Public) applicable for Tender value Rs. 10 Crore and above.*

*Between*

*Engineering Projects (India) Ltd. (EPI) hereinafter referred to as "The Principal",*

*And*

*..... hereinafter referred to as "The Bidder/ Contractor"*

### **Preamble**

*The Principal intends to award, under laid down organizational procedures, contract/s for..... The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness / transparency in its relations with its Bidder(s) and / or Contractor(s).*

*In order to achieve these goals, the Principal will appoint an Independent External Monitors (IEMs), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.*

### **Section 1 - Commitments of the Principal**

- 1) *The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:*
  - a) *No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.*
  - b) *The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential / additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.*
  - c) *The Principal will exclude from the process all known prejudiced persons.*
- 2) *If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.*

### **Section 2 - Commitments of the Bidder(s) / contractor(s)**

- 1) *The Bidder(s) / Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.*
  - a) *The Bidder(s) / Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he / she is not legally entitled to, in order to obtain in exchange any advantage of any kind*

*whatsoever during the tender process or during the execution of the contract.*

- b) The Bidder(s) / Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non- submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.*
  - c) The Bidder(s) / Contractor(s) will not commit any offence under the relevant IPC / PC Act; further the Bidder(s) / Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.*
  - d) The Bidder(s) / Contractor(s) of foreign origin shall disclose the name and address of the Agents / representatives in India, if any. Similarly the Bidder(s) / Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any, further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s) / Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent / representative have to be in Indian Rupees only.*
  - e) The Bidder(s) / Contractor(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.*
  - f) The Bidders(s)/ Contractor(s) will, when presenting their bid, disclose any transgressions with any other company that may impinge on the anti-corruption principle.*
  - g) Bidder(s) / Contactor(s) who have signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.*
- 2) The Bidder(s) / Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.*

### **Section 3 - Disqualification from tender process and execution from further contracts**

- 1) If the Bidder(s) / Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s) / Contractor(s) from the tender process or to terminate the contract, if already signed for such reason.*
- 2) If the Bidder/ Contractor has committed a serious transgression through a violation of section — 2 such as to put his reliability or credibility into question, the principal is entitled also to exclude the Bidder/ Contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors with the company hierarchy of the Bidder and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.*
- 3) If the Bidder/ Contractor can prove that he has restored/ recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion prematurely.*

- 4) *A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.*

#### **Section 4 - Compensation for Damages**

- 1) *If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit / Bid Security.*
- 2) *If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.*

#### **Section 5 - Previous Transgression**

- 1) *The Bidder declares that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.*
- 2) *If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process.*

#### **Section 6 - Equal treatment of all Bidders / Contractors / subcontractors**

- 1) *In case of joint venture, all the partners of the joint venture should sign the Integrity Pact. In case of sub-contracting, the Principal Contractor shall be solely responsible for the adherence to the provisions of Integrity Pact by the sub-contractor(s).*
- 2) *The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.*
- 3) *The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.*

#### **Section 7 - Criminal charges against violating Bidder(s) / Contractor(s) / Subcontractor(s)**

*If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.*

#### **Section 8 - Independent External Monitor /Monitors**

- 1) *The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.*
- 2) *The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairman, EPI.*
- 3) *The Bidder(s) / Contractor(s) accepts that the Monitor has the right to access without restriction to*

*all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is application to Subcontractors.*

- 4) The Monitor is under contractual obligation to treat the information and documents of the Bidder(s) / Contractor(s) / Subcontractor(s) with confidentiality. The Monitor has also signed declarations on 'Non-Disclosure of Confidential Information' and of 'Absence of Conflict of Interest'. In case of any conflict of interest arising at a later date, the IEM shall inform Chairman, EPI and rescues himself/ herself from that case.*
- 5) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.*
- 6) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action. However, the Independent External Monitor shall give an opportunity to the Bidder/ Contractor to present its case before making its recommendations to the Principal.*
- 7) The Monitor will submit a written report to the Chairman EPI within 8 to 10 weeks from the date of reference or intimation to him by the Principal and should the occasion arise, submit proposals for correcting problematic situations.*
- 8) Monitor shall be entitled to compensation on the same terms as being extended to / provided to Independent Directors on the EPI Board.*
- 9) If the Monitor has reported to the Chairman EPI, a substantiated suspicion of an offence under relevant IPC / PC Act, and the Chairman EPI has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.*
- 10) The word "Monitor" would include both singular and plural.*
- 11) Independent External Monitor shall be required to maintain confidentiality of the information acquired and gathered during their tenure/ role as independent Monitor. Any breach in this regard would be subject to the legal judicial system of India.*

#### **Section 9 - Pact Duration**

*This Pact begins when both parties have legally signed it. It expires for the Contactor 12 months after the last payment under the contract, and for tall other Bidders 6 months after the contract has been awarded. If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by Chairman of EPI.*

#### **Section 10 - Other provisions**

- 1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. New Delhi*
- 2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.*

- 3) *If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.*
- 4) *Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.*
- 5) *Issues like Warranty/ Guarantee etc. shall be outside the purview of IEMs.*

*(For & On behalf of the Principal)*

*(For & On behalf of Bidder/ Contractor)*

*(Office Seal)*

*(Office Seal)*

*Place*

*Date*

*Witness 1:*

*(Name &Address)*

*Witness 2:*

*(Name &Address)*