

PRE-CONTRACT INTEGRITY PACT

General

1. Whereas the DIRECTOR SLIET, or any other officer duly authorized by him in writing hereinafter referred to as the Buyer and the first party, proposes to procure / carry out work (Name of the Equipment/work), and M/s _____ through _____ duly authorized in writing by the Company/ Firm hereinafter referred (which term, unless expressly indicated by the contract, shall be deemed to include its successors and its assignees), hereinafter referred to as the Bidder/Seller and the second party, is willing to offer/has offered the equipments / carry out certain work.
2. Whereas the Bidder is a private company/public company/partnership/registered export agency, constituted in accordance with the relevant law in the matter and the Buyer is a Technical Institute performing its functions on behalf of the Board of Management.

Objectives

3. Now, therefore, the Buyer and the Bidder agree to enter into this pre-contract agreement, hereinafter referred to as Integrity Pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence/unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:-
 - 3.1 Enabling the Buyer to obtain the desired equipments / work at a competitive price in conformity with the defined/detailed specifications of the Services by avoiding the high cost and the distortionary impact of corruption on public procurement, and
 - 3.2 Enabling bidders to abstain from bribing or in indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and the Buyer will commit to prevent corruption/undue favours, in any form, by their officials by following procedures which is fair, just, transparent and free from all sorts of influences and undue favours.

Commitments of the Buyer

4. The Buyer Commits itself to the following:-
 - 4.1 That the Buyer undertakes that no official of the Buyer, connected directly or indirectly with the contract, will demand to make a promise for or accept, directly or through intermediaries, any bribe, consideration, illegal gratification, gift, reward, favour or any

material or immaterial benefit or any other advantage from the Bidder, either for himself or for any other person, organization or third party related to the contract in exchange for any favour or advantage in the bidding process, bid evaluation, contracting or implementation process related to the Contract.

4.2 The Buyer will, during the pre-contract stage, treat all Bidders alike, and will provide to them the same information and will not in any manner provide any such information to any particular Bidder which could afford an advantage to that particular Bidder in comparison to other Bidders.

4.3 All the officials of the Buyer will be under duty to report to the appropriate authority / Director as and when he comes to know any violation attempted or completed of the above commitments by any person and also of any reasonable suspicion of such a breach.

5. In case of any such preceding misconduct on the part of such official(s) is reported by the Bidder to the Buyer with full and verifiable facts supported by an affidavit and the same is *prima facie* believed to be correct by the Buyer, necessary disciplinary proceedings, or any other action as it deem fit, including criminal proceedings may be initiated by the Buyer and such person shall be debarred from further dealings related to the contract process. However in such a case while an enquiry is being conducted by the Buyer himself by any other officer dully appointed by him for the said purpose the proceedings under the contract would not be stalled.

Commitments of Bidders

6. The Bidder commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commits himself to the following:-

6.1 The Bidder undertakes to not offer, directly or through intermediaries, any bribe, illegal gratification, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Buyer, connected directly or indirectly with the bidding process, or to any person, organization or third party in exchange for any advantage / favour in the bidding, evaluation, contracting and implementation of the Contract.

6.2 The Bidder further undertakes that he has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any

official of the Buyer or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the Contract or any other Contract with the Institute for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Institute.

- 6.3 The Bidder will not collude in any manner with other contesting parties interested in entering into contract with buyer to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
- 6.4 The Bidder further undertakes to not accept any advantage / favour by indulging in any corrupt practices, unfair means and illegal activities.
- 6.5 The Bidder further confirms and declares to the Buyer that the Bidder is the original manufacturer/integrator/authorised government sponsored export entity and has not engaged any other individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the Buyer or any of its functionaries, whether officially or unofficially to the award of the contract to the Bidder, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.
- 6.6 The Bidder, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose all such payments, he may have made or is committed to or intends to make, to officials of the Buyer or to their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- 6.7 The Bidder shall not without permission by buyer in writing use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the Buyer as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The Bidder also undertakes to exercise all due and adequate cares lest any such information is divulged/ leaked.
- 6.8 The Bidder commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts fully supported by affidavit.
- 6.9 The Bidder shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

7. Previous Transgression

- 7.1 The Bidder shall declare that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of the commission of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India, that could justify bidder's exclusion from the tender process.
- 7.2 If the Bidder makes incorrect statement on this subject, Bidder can be disqualified from the tender process and the contract, if already awarded, can be terminated, without assigning any other reason.

8. Earnest Money/Security Deposit

- 8.1. Every bidder, while submitting commercial price bid, shall deposit an amount* as specified in the tender document / supply order as Earnest Money and Security Deposit, with the buyer through any of the following instruments:-
- (i) Bank Draft or a Pay Order in favour of the Director SLIET, Longowal.
 - (ii) Every bidder shall furnish a confirmed guarantee by an Indian Nationalized Bank, promising on behalf of bidder payment of the guaranteed sum to the Director SLIET, Longowal, on demand without any demur whatsoever and without seeking any reasons whatsoever.
 - (iii) Any other mode or through any other instrument, as stated in tender document / supply order.

*** At present, the amount of EMD for Rs. _____Lacs. & SD for Rs. _____Lacs in cases where the cost as estimated by the Buyer is above Rs. _____Lacs and up to Rs. _____ Lacs and Rs. _____Lacs if above Rs. _____Lacs.**

- 8.2. The Earnest Money and Security Deposit shall be valid up to a period of five years or the completion of contractual obligations to the complete satisfaction of both the bidder and the buyer, whichever is later. In case there is more than one bidder, the Earnest Money shall be refunded by the buyer to those bidder(s) whose bid(s) does/do not qualify, after a recommendation is made on the bid(s) after an evaluation.
- 8.3 In the case of successful bidder a clause would also be incorporated in the Performance Bond in the Purchase Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture

of Performance Bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

- 8.4 The provisions regarding Sanctions for Violation in Integrity Pact include forfeiture of Performance Bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of Integrity Pact.
- 8.5 No interest shall be payable by the Buyer to the Bidder(s) on Earnest Money/Security Deposit for the period of its currency.

9. Company Code of Conduct

- 9.1 Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behavior) and a compliance program for the implementation of the code of conduct throughout the company.

10. Sanctions for Violation

- 10.1 Any breach of the aforesaid provisions by the Bidder or any one employed by him or acting on his behalf (whether with or without the knowledge of the Bidder) or the commission of any offence by the Bidder or any one employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act 1988 or any other act enacted for the prevention of corruption shall entitle the Buyer to take all or any one of the following actions, wherever required:-
- (i) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the Bidder. However, the proceedings with the other Bidder(s) would continue.
 - (ii) The Earnest Money/Security Deposit/Performance Bond shall stand forfeited either fully or partially, as decided by the Buyer and the Buyer shall not be required to assign any reason therefore.
 - (iii) To immediately cancel the contract, if already signed, without giving any compensation to the Bidder. In such situation, the earnest money / security deposit / performance bond shall also be forfeited by the Buyer.
 - (iv) To recover all sums already paid by the Buyer, and in case of an Indian Bidder with interest thereon at 2% higher than the prevailing Prime Lending Rate, while in case of a Bidder from a

country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the Buyer from the Bidder in connection with any other contract for such any other outstanding payment could also be utilized/adjusted to recover the aforesaid sum and interest.

- (v) To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the Bidder, in order to recover the payments, already made by the Buyer, along with interest.
- (vi) To cancel all or any other Contracts with the Bidder.
- (vii) To debar the Bidder from entering into any bid from the Government of India for a minimum period of five years, which may be further extended at the discretion of the Buyer.
- (viii) To recover all sums paid in violation of this Pact by Bidder(s) to any middleman or agent or broker with a view to securing the contract.
- (ix) If the Bidder or any employee of the Bidder or any person acting on behalf of the Bidder, either directly or indirectly, is closely related to any of the officers of the Buyer, or alternatively, if any close relative of an officer of the Buyer has financial interest/stake in the Bidder's firm, the same shall be disclosed by the Bidder at the time of filing of tender. Any failure to disclose the interest involved shall entitle the Buyer to rescind the contract without payment of any compensation to the Bidder.

The term 'close relative' for this purpose would mean spouse whether residing with the Government servant or not, but not include a spouse separated from the Government servant by a decree or order of a competent court; son or daughter or step son or step daughter and wholly dependent upon Government servant, but does not include a child or step child who is no longer in any way dependent upon the Government servant or of whose custody the Government servant has been deprived of by or under any law; any other person related, whether by blood or marriage, to the Government servant or to the Government servant's wife or husband and wholly dependant upon Government servant.

- (x) The Bidder shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the Buyer, and if he does so, the Buyer shall be entitled forthwith to rescind the contract and

all other contracts with the Bidder. The Bidder shall be liable to pay compensation for any loss or damage to the Buyer resulting from such rescission and the Buyer shall be entitled to deduct the amount so payable from the money(s) due to the Bidder.

(xi) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the Buyer with the Bidder, the same shall not be opened.

10.2 The decision of the Buyer to the effect that a breach of the provisions of this Integrity Pact has been committed by the Bidder shall be final and binding on the Bidder, however, the Bidder can approach the monitor(s) appointed for the purposes of this Pact for redressal of his grievances. No appeal shall lie in any court of law against the decision of the Monitor.

11. Fall Clause

11.1 The Bidder undertakes that he has not supplied/is not supplying the similar systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India and if it is found at any stage that the similar system or sub-system was supplied by the Bidder to any other Ministry/Department of the Government of India at a lower price, then that very price will be applicable to the present case and the difference in the cost would be refunded by the Bidder to the Buyer, if the contract has already been concluded.

11.2 The Bidder shall strive to accord the most favoured customer treatment to the Buyer in respect of all matters pertaining to the present case.

12. Independent Monitors

12.1 The Buyer will appoint Independent Monitors for this Pact, in consultation with the Central Vigilance Commission.

12.2 As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Director SLIET.

13. Examination of Books of Accounts

In case of any allegation of violation of any provisions of this Integrity Pact or payment of commission, the Buyer or its agencies shall be entitled to examine the Books of Accounts of the Bidder and the Bidder shall provide necessary information of the relevant financial documents in English and shall extend all possible help for the purpose of such examination.

14. Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the Buyer i.e. Longowal.

15. Other Legal Actions

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the law in force relating to any civil or criminal proceedings.

16. Validity

16.1 The validity of this Integrity Pact shall be from date of its signing and extend up to 5 years or the complete execution of the contract to the satisfaction of both the Buyer and the Bidder/Seller, whichever is later.

16.2 Should one or several provisions of this Pact turn out to be invalid, the remainder of this Pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

17. The Parties hereby sign this Integrity Pact at _____ on _____.

BUYER
Sant Longowal Institute of Engineering & Technology

BIDDER

Witness

Witness

1. _____

1. _____

2. _____

2. _____

