

Enclosure -I

To be executed on plain paper and applicable for all tenders of value above Rs.1 crore

INTEGRITY PACT

Between

Inland Waterways Authority of India(IWAI) hereinafter referred to as **“The Principal”**,

And

Hereinafter referred to as **“The Bidder/Contractor”**

Preamble

The Principal intends to award, under laid down organizational procedure, 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 Contractors (s).

In order to achieve these goals, the Principal will appoint an Independent External Monitor (IEM), 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 of 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. Copy of the "Guidelines on Indian Agents of Foreign Suppliers is annexed and marked as annexure.
- 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.

(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 exclusion from future contracts

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 take action as per the procedure mentioned in the “Guidelines on Banning of business dealings”. Copy of the “Guidelines on Banning of business dealings” is annexed and marked as Annex-’B’

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 or action can be taken as per the procedure mentioned in “Guidelines on Banning of business dealings”.

Section 6 – Equal treatment of all Bidders / Contractors / Subcontractors

- (1) The Bidder(s)/Contractor(s) undertake(s) to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Subcontractors.
- (3) The Principal will disqualify from the tender process all bidder 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, IWAI.
- (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, documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/ Subcontractor(s) with confidentiality.
- (4) The Principal will provide to the Monitor sufficient information about all meeting among the parties related to the Project provided such meeting 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.
- (5) 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.
- (6) The Monitor will submit a written report to the Chairman, IWAI 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.
- (7) If the monitor has reported to the Chairman IWAI a substantiated suspicion of an offence under relevant IPC /PC Act, and the Chairman, IWAI has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.
- (8) The word ‘Monitor’ would include both singular and plural.

Section 9 – Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the contract, and for all 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 , IWAI.

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 Noida.
- (2) The arbitration clause provided in the main tender document/ contract shall not be applicable for any issue / dispute arising under Integrity Pact.
- (3) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- (4) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- (5) 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.

.....
For the Principal
(Office Seal)

.....
For the Bidder /Contractor
(Office Seal)

Place

Date

Witness 1:
(Name & Address)

.....
.....

Witness 2:
(Name & Address)

.....
.....

Integrity Pact

Clause to be included in the Tender /Bid Documents
(Applicable for cases above Rs. 1 Crore)

Integrity Pact day Signed by the authorized official of IWAI and the Contractor will form part of this contract / supply order.

Proforma of integrity Pact (which is issued along with the bidding documents shall be by the bid i.e. who is duly authorized to sign the bid. All the pages of the integrity Pact shall be duly signed by the same signatory. Bidder's failure to return the integrity Pact along with the bid, signed, shall lead to outright rejection of such bid.

If the Bidder has been disqualified from the tender process prior to the award of contract according to the provisions under integrity Pact, IWAI shall be entitled to demand and recover from bidder Liquidated damages amount by forfeiting the EMD/Bid security (Bid Bond) as per provisions of integrity Pact.

If the contract has been terminated according to provisions of the integrity Pact, or if IWAI is entitled to terminate the contract according to provisions of Integrity Pact, IWAI shall be entitled to demand and recover from the Contractor / Security Deposit as per Integrity Pact.

Enclosure III

AGREEMENT

No.

Dated

INLAND WATERWAYS AUTHORITY OF INDIA

Sub: Purchase of Bidding Documents

Ref: Tender no.

IWAI and the Bidder agree that the Notice Inviting Tender (NIT) is an offer made on the condition that the bidder will sign the Integrity Pact and the Bid would be kept open in its original form without variation or modification for a period of (state the number of days from the last date for the receipt of tenders stated in the NIT) days and the making of the bid shall be regarded as an unconditional and absolute acceptance of this condition of the NIT.

We confirm acceptance and compliance with the Integrity Pact in letter and spirit. We further agree that the contract consisting of the above conditions of NIT as the offer and the submission of Bid as the Acceptance shall be separate and distinct from the contract which will come into existence when bid is finally accepted by IWAI.

The consideration for this separate initial contract preceding the main contract is that IWAI is not agreeable to sell the NIT to the Bidder and to consider the bid to be made except on the condition that the bid shall be kept for.....days after the last date fixed for the receipt of the bids and the Bidder desires to make a bid on this condition and after entering into this separate contract with IWAI.

IWAI promises to consider the bid on this condition and the Bidder agrees to keep the bid open for the required period. These reciprocal promises form the consideration for this separate initial contract between the parties.

If Bidder fails to honour the above terms and conditions, IWAI shall have unqualified absolute and unfettered right to encash / forfeit the bid security submitted in this behalf.

Yours faithfully,

Yours faithfully,

(BIDDER)

(PURCHASER)

(One copy of this agreement duly signed must be returned alongwith offer)