

INTEGRITY PACT

Between

North Eastern Electric Power Corporation Limited (NEEPCO Ltd.), a company registered under the Companies Act, 1956 and having its registered office at Brookland Compound, Lower New Colony, Shillong – 793003, Meghalaya, India, hereinafter referred to as “Principal”, which expression unless repugnant to the contents or meaning thereof shall include its successors or assigns on the ONE PART

And

-----, (description of the party along with address), hereinafter referred to as “Bidder/Contractor”, which expression unless repugnant to the contents or meaning thereof shall include its successors or assigns on the OTHER PART

Preamble

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

In order to achieve these goals, the Principal will appoint Independent External Monitor(s), 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

- 1.1 The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:
 - 1.1.1 No employee of the Principal, personally or through family members, will, in connection with the tender for, or the execution of the 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.
 - 1.1.2 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.
 - 1.1.3 The Principal will exclude from the process all known prejudiced persons.
- 1.2 If the Principal obtains information on the conduct of any of its employees which is a penal offence under the Indian Penal Code 1860 and Prevention of Corruption Act 1988 or any other statutory penal enactment, or if there be a substantive suspicion in this regard, the

Principal will inform its Chief Vigilance Officer and in addition can initiate disciplinary actions.

Section 2 – Commitments of the Bidder(s)/Contractor(s)

- 2.1 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.
- 2.1.1 The Bidder(s)/Contractor(s) will not, directly or through any other person or firm, offer, promise or give to the Principal or 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, immaterial or any 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.
- 2.1.2 The Bidder(s)/Contractor(s) will not enter with other Bidder(s) into any illegal or 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.
- 2.1.3 The Bidder(s)/Contractor(s) will not commit any penal offence under the relevant IPC/PC Act: further the Bidder(s)/Contractor(s) will not use improperly, for the 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.
- 2.1.4 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 foreign principals, if any. Further, the information pertaining to local representatives/agents of Foreign Bidders shall be disclosed by the Bidder(s)/Contractor(s), as per requirement of Instruction to Bidders of Part-III of Detailed Bid Document.
- 2.2 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 acts in any other manner 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 separate guidelines framed by the Principal.

Section 4 – Compensation for damages

- 4.1 If the Principal has disqualified the Bidder 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.
- 4.2 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 equivalent to 10% of the Contract Price or the amount equivalent to Security Deposit/Bank Guarantee, whichever is higher.

Section 5 – Previous Transgression

- 5.1 The Bidder declares that no previous transgressions occurred in the last 5 (Five) years with any other company in any country conforming to anti – corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
- 5.2 If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process, or the Contract, if already awarded, can be terminated for such reason.

Section 6 – Equal treatment of all Bidders/Contractors/Sub-Contractors

- 6.1 The Bidder(s)/Contractor(s) undertake(s) to obtain from all sub-Contractors a commitment consistent with this Integrity Pact and report compliance to the Principal. This commitment shall be taken only from those sub-Contractors whose Contract value is more than 20% of the Bidder's/Contractor's quoted price/Contract price with the Principal. The Bidder(s)/Contractor(s) shall continue to remain responsible for any default by his sub-Contractor(s).
- 6.2 The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- 6.3 Bidders who do not sign this pact or violate its provisions shall be disqualified by the Principal from the tender process.

Section 7 – Criminal charges against violating Bidders/Contractors/Sub-Contractors

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Sub-Contractor, or of an employee or a representative or an associate of a Bidder, Contractor or Sub-Contractor 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(s)

- 8.1 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.

- 8.2 The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, NEEPCO.
- 8.3 The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Contract documentation of the Principal including that provided by the Bidder(s)/Contractor(s). The Bidder(s)/Contractor(s) will grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his Contract documentation. The same is applicable to Sub-Contractor(s). The Monitor is under Contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Sub-Contractor(s) with confidentiality.
- 8.4 The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Contract 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.
- 8.5 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 heal the situation, or to take other relevant action. The Monitor can, in this regard, submit non bonding 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.
- 8.6 The Monitor will submit a written report to the CMD, NEEPCO 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.
- 8.7 The CMD, NEEPCO shall decide the compensation to be paid to the Monitor and its terms and conditions.
- 8.8 If the Monitor has reported to the CMD, NEEPCO, a substantiated suspicion of an offence under relevant IPC/PC Act, and the CMD, NEEPCO has not, within 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, Government of India.
- 8.9 The number of Independent External Monitor(s) shall be decided by the CMD, NEEPCO.
- 8.10 The word 'Monitor' would include both singular and plural.

Section 9 – Pact duration

- 9.1 This Pact begins and shall be binding on and from the submission of bid(s) by Bidder(s). It expires for the Contractor 12(Twelve) months after the last payment under the respective Contract and for all other Bidders 6(Six) months after the Contract has been awarded.

9.2 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 as above, unless it is discharged/determined by the CMD, NEEPCO.

Section 10 – Other provisions

- 10.1 This agreement is subject to Indian laws and jurisdiction shall be the registered office of the Principal, i.e., Shillong, Meghalaya, India.
- 10.2 Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- 10.3 If the Contractor is a partnership or a Joint-Venture (JV)/Consortium, this agreement must be signed by all partners or Joint-Venture (JV)/Consortium members.
- 10.4 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.
- 10.5 Only those Bidders/Contractors who have entered into this agreement with the Principal would be competent to participate in the bidding. In other words, entering into this agreement would be mandatory for meeting the qualifying requirement.

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For & on behalf of the Principal
(Office Seal)

For & on behalf of the Bidder/Contractor
(Office Seal)

Place _____

Place _____

Date _____

Date _____

Witness: _____

Witness: _____

(Name & Address) _____

(Name & Address) _____
