

PRE-CONTRACT INTEGRITY PACT

General

This pre-bid pre-contact Agreement (hereinafter called the Integrity Pact) is made on _____ day of the month of _____ 20...., between on one hand the New Delhi Municipal Council acting through Shri _____, The Executive Engineer (hereinafter called the “Principal/Owner”, which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part and M/s _____ represented by Shri _____ (hereinafter called the “Bidder(s)/Contractor(s) which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

Whereas the Principal/Owner proposes to procure (Name of work the Store/ Equipment/Item) through the Bidder(s)/Contractor(s) and the Bidder(s)/Contractor(s) is willing to offer / has offered the same.

Whereas the Bidder(s)/Contractor(s) is a private company/public company/ Government undertaking/ partnership/ registered export agency, constituted in accordance with the relevant law in the matter and the Principal/Owner is the municipal government of New Delhi established as per NDMC act 1994 performing its functions on behalf of the Council.

Now, therefore,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:

Enabling the Principal/Owner to procure the desired said work/ Services/ Stores / Equipments at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption during tendering, execution & public procurement, **and**

Enabling Bidder(s)/Contractor(s) to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the Principal/Owner will commit to prevent corruption, in any form, by its officials by following transparent procedures.

The parties here to hereby agree to enter into this Integrity Pact and agree as follows:

Commitments of the Principal/Owner

1.1 The Principal/Owner undertakes that no official of the Principal/Owner, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the Bidder(s)/Contractor(s), either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.

- 1.2 The Principal/Owner will, during the pre-contract stage, treat all Bidder(s)/Contractor(s) alike, and will provide to all Bidder(s)/Contractor(s) the same information and will not provide such information to any particular Bidder(s)/Contractor(s) which could afford an advantage to that particular Bidder(s)/Contractor(s) in comparison to other Bidder(s)/Contractor(s).
- 1.3 All the officials of the Principal/Owner will report to the CVO, NDMC any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
2. In case any such preceding misconduct on the part of such official(s) is reported by the Bidder(s)/Contractor(s) to the CVO, NDMC with full and verifiable facts and the same is prima facie found to be correct by the NDMC, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the NDMC and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the NDMC the proceedings under the contract would not be stalled.

Commitments of Bidder(s)/Contractor(s)

3. The Bidder(s)/Contractor(s) commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its 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 commit itself to the following:
 - 3.1 The Bidder(s)/Contractor(s) will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Principal/Owner, connected directly or indirectly with the bidding process, or to any person, organization or third part related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
 - 3.2 The Bidder(s)/Contractor(s) further undertakes that it 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 Principal/Owner or otherwise in executing 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 New Delhi Municipal Council for showing or forbearing to show favour or disfavor to any person in relation to the contract or any other contract with the New Delhi Municipal Council.
 - 3.3 Bidder(s)/Contractor(s) shall disclose the name and address of agents/Brokers/representatives/ Intermediaries and Indian Bidder(s)/Contractor(s) shall disclose their foreign Principals or associates at the time of bidding.
 - 3.4 Bidder(s)/Contractor(s) shall disclose the payments to be made by them to such agents/brokers/representatives/ intermediaries, in connection with this bid/contract at the time of bidding.
 - 3.5 **Deleted.**

- 3.6 The Bidder(s)/Contractor(s), either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in Connection with the contract and the details of services agreed upon for such payments. A copy of contract so made with agents /brokers/intermediaries shall be submitted.
- 3.7 The Bidder(s)/Contractor(s) will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract. Bidder shall remain responsible to maintain safety & confidentiality of his bid documents during bid process.
- 3.8 The Bidder(s)/Contractor(s) will not accept any advantage in exchange for any corrupt practice, unfair means, and illegal activities.
- 3.9 The Bidder(s)/Contractor(s) shall not use improperly, for purposed of competition or personal gain, or pass on to others, any information provided by the Principal/Owner as part business relationship regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The Bidder(s)/Contractor(s) also undertakes to exercise due and adequate care lest any such information is divulged.
- 3.10 The Bidder(s)/Contractor(s) commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts, either to principal/owner or to IEMs so appointed by NDMC.
- 3.11 The Bidder(s)/Contractor(s) shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.
- 3.12 If the Bidder(s)/Contractor(s) or any employee of the Bidder(s)/Contractor(s) or any person acting on behalf of the Bidder(s)/Contractor(s), either directly or indirectly, is a relative of any of the officers of the Principal/Owner, or alternatively, if any relative of an officer of the Principal/Owner has financial interest/ stake in the Bidder(s)/Contractor(s) firm, the same shall be disclosed by the Bidder(s)/Contractor(s) at the time of filing of tender. The term 'relative' for this purpose would be as defined in Section 6 of the Companies Act 1956.
- 3.13 The Bidder(s)/Contractor(s) shall not lend to or borrow any money form or enter into any monetary dealings or transaction, directly or indirectly, with any employee of the Principal/Owner.

4. Previous Transgression

- 4.1 The Bidder(s)/Contractor(s) declares that no previous transgression occurred in the last Five years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged here under or with any Public Sector Enterprise in India or New Delhi Municipal Council that could justify Bidder(s)/Contractor(s) exclusion from the tender process.

4.2 The Bidder(s)/Contractor(s) agrees that if it makes incorrect statement on this subject, Bidder(s)/Contractor(s) can be disqualified form the tender process or the contract, if already awarded, can be terminated for such reason.

5. **Deleted.**

6. Sanctions for Violations

6.1 Any breach of the aforesaid provisions by the Bidder(s)/Contractor(s) or any one employed by it or acting on its behalf (whether with or without the knowledge of the Bidder(s)/Contractor(s) shall entitle the Principal/Owner 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(s)/Contractor(s). However, the proceedings with the other Bidder(s)/Contractor(s) would continue.
- (ii) The Earnest Money Deposit (in pre-contract stage) and/or Security Deposit/Performance Bond / Gurantee (after the contract is signed) shall stand forfeited and the Principal/Owner 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(s)/Contractor(s).
- (iv) To recover all sums already paid by the Principal/Owner, and in case of an Indian Bidder(s)/Contractor(s) with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a Bidder(s)/Contractor(s) form a country other than India with interest theron at 2% higher than the LIBOR. If any outstanding payment is due to the Bidder(s)/Contractor(s) form the Principal/Owner in connection with any other contract for any other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.
- (v) To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the Bidder(s)/Contractor(s), in order to recover the payments, already made by the Principal/Owner, along with interest.
- (vi) To cancel all or any other contracts with the Bidder(s)/Contractor(s). The Bidder(s)/Contractor(s) shall be liable to pay compensation for any loss or damage to the Principal/Owner resulting from such cancellation/ rescission and the Principal/Owner shall be entitled to deduct the amount so payable form the money(s) due to the Bidder(s)/Contractor(s).
- (vii) To debar the Bidder(s)/Contractor(s) from participation in future bidding processes of the New Delhi Municipal Council for a period ranging from six months to maximum five years. However if the bidder takes corrective measures against transgressions, subject to satisfaction of Principal/Owner & IEMs, the period of debar can be reviewed.
- (viii) To recover all sums paid in violation of this Pact by Bidder(s)/Contractor(s) to any middleman or agent or broker with a view to securing the contract.

- (ix) In case where irrevocable Letter of Credit have been received in respect of any contract signed by the Principal/Owner with the Bidder(s)/Contractor(s), the same shall not be opened.
 - (x) Forfeiture of Performance Bond/Guarantee in case of a decision by the Principal/Owner to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
- 6.2 The Principal/Owner will be entitled to take all or any of the actions mentioned at para 6.1 (i) to (x) of this Pact also on the Commission by the Bidder(s)/Contractor(s) or any one employed by it or acting on its behalf (whether with or without the knowledge of the Bidder(s)/Contractor(s), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.
- 6.3 The decision of the Principal/Owner to the effect that a breach of the provisions of this Pact has been committed by the Bidder(s)/Contractor(s) shall be final and conclusive on the Bidder(s)/Contractor(s). However, the Bidder(s)/Contractor(s) can approach the Independent Monitor(s) appointed for the purposes of this Pact.

IEMs shall examine the transgression and its severity and submit the report to Chairman, NDMC for further action after providing an opportunity and hearing to the affected parties.

7. Fall Clause : Deleted

8. Independent External Monitors

- 8.1 The Principal/Owner has appointed Independent External Monitors (hereinafter referred to as IEMs) for this Pact in consultation with the Central Vigilance Commission whose names and email IDs have been given in the NIT.
- 8.2 The task of the IEMs shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this pact.
- 8.3 The IEMs shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.
- 8.4 Both the parties accept that the IEMs have the right to access all the documents relating to the project/procurement, including minutes of meetings
- 8.5 As soon as the IEMs notices, or have reasons to believe a violation of this Pact, they shall so inform to Chairman, NDMC.
- 8.6 The Bidder(s)/Contractor(s) accepts that the IEMs have the right to access without restriction to all Project documentation of the Principal/Owner including that provided by the Bidder(s)/Contractor(s). The Bidder(s)/Contractor(s) will also grant the IEMs, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to subcontractors. The

IEMs shall be under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Subcontractor(s) confidentiality.

8.7 The Principal/Owner will provide to the IEMs sufficient information about all meetings among the parties related to the Project provided such meeting could have an impact on the contractual relations between the parties. The parties will offer to the IEMs the option to participate in such meetings

8.8 The IEMs will submit a written report to the Chairman, NDMC within 8 to 10 weeks from the date of reference or intimation to him by the Principal/Owner/Bidder(s)/Contractor(s) and, should the occasion arise, submit proposals for correcting problematic situation. However an opportunity of hearing shall be provided by the IEMs to the buyers /bidders before submitting their written report.

9. **Facilitation of Investigation**

In case of any allegation of violation of any provisions of this pact or payment of commission, the Principal/Owner or its agencies shall be entitled to examine all the documents including the Books of Accounts of the Bidder(s)/Contractor(s) and the Bidder(s)/Contractor(s) shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination

10. **Law and Place of Jurisdiction**

This pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the Principal/Owner.

11. **Other Legal Actions**

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

12. **Validity**

12.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 12 months beyond the defects liability period of the contracts. In case Bidder(s)/Contractor(s) is unsuccessful, this Integrity Pact shall expire after six months from the date of the signing of the contract by the successful bidder.

12.2 Should one or several provision of this Pact turn out to be invalid, the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intention.

13 The parties hereby sign this Integrity Pact at _____ on _____

Principal/Owner

Name of the Officer,
Designation

Bidder(s)/Contractor(s)
Chief Executive Officer

New Delhi Municipal Council

Witness

1. _____

2. _____

Witness

1. _____

2. _____

* Provisions of these clauses would need to be amended / deleted in line with the policy of the Principal/Owner in regard to involvement of Indian agents of foreign suppliers.