

Schedule XI
DRAFT INTEGRITY PACT (to be uploaded online)

(The Integrity Pact agreement in original shall be executed in Rs 100/- non judicial stamp paper and shall be enclosed along with original financial instrument and reach Kamarajar Port Limited (KPL) corresponding address before opening Technical bid as per date and time given in the tender document)

GENERAL

This pre-contract Agreement (herein after called the Integrity Pact)

BETWEEN

Kamarajar Port Limited, represented by the Chairman cum Managing Director, Kamarajar Port Limited, Chennai hereinafter referred to as “THE PRINCIPAL” / “EMPLOYER”

AND

..... represented by Shri
..... hereinafter referred to as “The BIDDER / CONTRACTOR”.

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s for (Name of the Contract / Project / Stores equipment / item). The Principal values full compliance with all relevant laws and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with the Bidder/s and Contractor/s.

In order to achieve these goals, the Principal will appoint an External Independent Monitor who will monitor the RFP bid process and the execution of the contract for compliance with the principles mentioned above.

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/EMPLOYER to obtain the desired said stores / equipment at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and

Enabling BIDDERS / CONTRACTORS 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/EMPLOYER will commit to prevent corruption, in any form, by its officials by following transparent procedures.

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

Commitments of the PRINCIPAL/EMPLOYER

The PRINCIPAL/EMPLOYER undertakes that no official of the Principal/Employer 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 / CONTRACTOR, 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.

The PRINCIPAL/EMPLOYER will, during the pre-contract stage, treat all BIDDERS / CONTRACTORS alike, and will provide to all BIDDERS / CONTRACTORS the same information and will not provide any such information to any particular BIDDER / CONTRACTOR which could afford an advantage to that particular BIDDER / CONTRACTOR in comparison to other BIDDER / CONTRACTOR and could obtain an advantage in relation to the RFP bid process or the contract execution.

All the officials of the PRINCIPAL/EMPLOYER will report to the Chairman cum Managing Director / Chief Vigilance Officer of Kamarajar Port Limited any attempted or completed breaches of the above commitments as well as any substantial, suspicion of such a breach.

If the PRINCIPAL/EMPLOYER obtains information on the conduct of any of its employees with full and verifiable facts and the same is prima facie found to be correct which is a criminal offence under the Indian Penal Code / Prevention of Corruption Act, 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.

Commitments of the BIDDER / CONTRACTOR

The Bidder / Contractor commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the RFP bid process and during the post contract stage.

i. The Bidder /Contractor will not enter with other Bidder / Contractors 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.

ii. The Bidder/Contractor will not commit any offence under the Indian Penal Code, 1860 / Prevention of Corruption Act, 1988 further the Bidder / Contractor 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.

iii. The Bidder / Contractor will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or any other advantage, commission, fees, brokerage or inducement to any official of the Principal/Employer, connected directly or indirectly with the bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

iv. The Bidder/Contractor further undertakes that it has not given, offered or promised to give directly or indirect any bribe, gift, consideration, reward, favour, any material or immaterial benefit or any other advantage, commission, fees, brokerage or inducement to any official of the Principal/Employer 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 Principal for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Principal.

v. The Bidder / Contractor of foreign origin shall disclose the name and address of the Agents /representatives in India, if any. Similarly the Bidder/Contractor of Indian Nationality shall furnish the name and address of the foreign principals, if any.

vi. Bidder / Contractors shall disclose the payments to be made by them to agents or any other intermediary, in connection with this bid/contract.

vii. The Bidder / Contractor further confirms and declares to the Principal/ Employer that the Bidder / Contractor is the original manufacturer/integrator/ authorized government sponsored export entity of the stores and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the Principal/Employer or any of its functionaries, whether officially or unofficially to the award of the contract to the Bidder / Contractor, 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.

viii. The Bidder / Contractor, 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 officials of the Principal/Employer or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.

ix. The Bidder / Contractor 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.

x. The Bidder / Contractor will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

xi. The Bidder / Contractor shall not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the Principal/Employer as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The Bidder / Contractor also undertakes to exercise due and adequate care lest any such information is divulged.

xii. The Bidder / Contractor commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.

xiii. The Bidder / Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

xiv. If the Bidder/Contractor or any employee of the Bidder/Contractor or any person acting on behalf of the Bidder/Contractor, either directly or indirectly, is a relative of any of the officers of the Principal/Employer, or alternatively, if any relative of an officer of the Principal/Employer has financial interest / stake in the Bidder / Contractor's firm, the same shall be disclosed by the Bidder / Contractor at the time of filing of RFP bid. The term 'relative' for this purpose would be as defined in Section 6 of the Companies Act 1956.

xv. The Bidder / Contractor 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 Principal/Employer.

Previous Transgression

The Bidder / Contractor declares 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 any corrupt practices envisaged hereunder or with any Public Sector Enterprises in India or any Government Department in India that could justify Bidder / Contractor's exclusion from the RFP bid process. If the Bidder / Contractor makes incorrect statement on

this subject, the Bidder / Contractor can be disqualified from the RFP bid process or the contract, if already awarded, can be terminated for such reason.

Sanction for Violations

Any breach of the aforesaid provisions by the Bidder / Contractor or any one employed by it or acting on its behalf (whether with or without the knowledge of the Bidder / Contractor shall entitle the Principal / Employer 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 / CONTRACTOR, However, the proceedings with the other BIDDER / CONTRACTOR (s) would continue.
- (ii) The Earnest Money Deposit (in pre-contract stage) and / or Security Deposit / Performance Bond (after the contract is signed) shall stand forfeited either fully or partially, as decided by the PRINCIPAL/EMPLOYER and the PRINCIPAL/EMPLOYER 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 / CONTRACTOR.
- (iv) To recover all sums already paid by the PRINCIPAL/EMPLOYER, and in case of an Indian BIDDER / CONTRACTOR with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India , while in case of a BIDDER / CONTRACTOR from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the BIDDER / CONTRACTOR from the PRINCIPAL/EMPLOYER 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 / CONTRACTOR, in order to recover the payments, already made by the PRINCIPAL/EMPLOYER, along with interest.
- (vi) To cancel all or any other Contracts with the BIDDER / CONTRACTOR. The BIDDER / CONTRACTOR shall be liable to pay compensation for any loss or damage to the PRINCIPAL/EMPLOYER resulting from such cancellation/ rescission and the PRINCIPAL/EMPLOYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER / CONTRACTOR.
- (vii) To debar the BIDDER / CONTRACTOR from participating in future bidding processes of the Principal for a minimum period of five years, which may be further extended at the discretion of the PRINCIPAL/EMPLOYER.
- (viii) To recover all sums paid in violation of this Pact by BIDDER/CONTRACTOR(s) to any middleman or agent or broker with a view to securing the contract.

(ix) In cases where irrecoverable Letters of Credit have been received in respect of any contract signed by the PRINCIPAL/EMPLOYER with the BIDDER / CONTRACTOR, the same shall not be opened.

(x) Forfeiture of Performance Bond in case of a decision by the PRINCIPAL/EMPLOYER to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

(xi) The Bidder / Contractor accepts and undertakes to respect and uphold the Principal's absolute right to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.

(xii) If the Bidder / Contractor can prove that he has restored /recouped the damage caused by him and has installed a suitable corruption prevention system, in such a case, it will be discretion of the Principal to revoke the exclusion prematurely.

(xiii) The PRINCIPAL/EMPLOYER will be entitled to take all or any of the actions mentioned at Para (i) to (xii) above of this Pact also on the Commission by the BIDDER / CONTRACTOR or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER / CONTRACTOR), 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.

(xiv) The decision of the PRINCIPAL / EMPLOYER to the effect that a breach of the provisions of this Pact has been committed by the BIDDER / CONTRACTOR shall be final and conclusive on the BIDDER / CONTRACTOR. However, the BIDDER / CONTRACTOR can approach the Independent Monitor (s) appointed for the purposes of this Pact.

Fall Clause

The BIDDER / CONTRACTOR undertakes that it has not supplied / is not supplying similar product / systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry / Department of the Govt. of India or PSU and if it is found at any stage that similar product / systems or subsystems was supplied by the BIDDER / CONTRACTOR to the Principal at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER / CONTRACTOR to the PRINCIPAL / EMPLOYER, if the contract has already been concluded.

Independent Monitors

The Principal / Employer has appointed two Independent External Monitors (hereinafter referred to as Monitors)

1. Shri Velayutham Venkatachalam, IAS (Retired)

House No:92
Ramnagar North Extension,
6th Main Road,
Velachery,
Chennai – 600 042.
Email: vvenkat1952@yahoo.co.in

2. Er. T.Govindarajan,

No. 5/5/, Saraswathy Nagar,
Behind CSI Church,
Kovaiputhur,
Coimbatore – 641 402.
Email:ertgrajan@gmail.com

- (a) The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.
- (b) The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.
- (c) Both the parties accept that the Monitors have the right to access all the documents relating to the project / procurement, including minutes of meetings.
- (d) As soon as the Monitor notices, or has reason to believe, a violation of this pact, he will so inform the authority designated by the Principal and the Chief Vigilance Officer of Kamarajar Port Limited.
- (e) The BIDDER / 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 BIDDER / CONTRACTOR. The BIDDER / 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 applicable to Subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the Bidder / Contractor / Subcontractor(s) with confidentiality.
- (f) The Principal / Employer 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.
- (g) The Monitor will submit a written report to the designated Authority of Principal / Employer / Chief Vigilance Officer of Kamarajar Port Limited within 8 to 10 weeks from the date of reference or intimation to him by the Principal / Employer / Bidder / Contractor and should the occasion arise, submit proposals for correcting problematic situation.
- (h) 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

to 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.

(i) If the Monitor has reported to the Principal substantiated suspicion of an offence under the Indian Penal Code, 1860 / Prevention of Corruption Act, 1988 and the Principal / Employer has not, within reasonable time, taken visible action to proceed against such offence or reported to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.

(j) The word 'Monitor' would include both singular and plural.

Facilitation of Investigation

In case of any allegation of violation of any provisions of this Pact or payment of commission, the PRINCIPAL / EMPLOYER or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER / CONTRACTOR and the BIDDER / CONTRACTOR shall provide necessary information and documents in English and shall extend all possible help for the Purpose of such examination.

Other Provisions

Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.

Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the PRINCIPAL / EMPLOYER.

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 extant law in force relating to any civil or criminal proceedings.

Validity

The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the PRINCIPAL and the Bidder / Contractor including warranty period whichever is later. In case Bidder / Contractor is unsuccessful, this Integrity Pact shall expire after six months from the date of the signing of the contract.

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 the Kamarajar Port Limited. Should one or several provisions 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 intentions.

Equal treatment of all Bidders / Contractors /Sub-Contractors

- (a) The Bidder / Contractor undertake to demand from all sub-contractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.
- (b) The Principal will enter into agreements with identical conditions as this one with all Bidders / Contractors and Sub-Contractors.
- (c) The Principal will disqualify from the RFP bid process all Bidder / Contractors who do not sign this pact or violate its provisions.

The parties hereby sign this Integrity Pact at _____ on _____.
The Principal represented BIDDER / CONTRACTOR
by the CMD, Kamarajar Port Limited

Name of the Officer
Designation

Name
Designation

Witness 1
Name & address

Witness 1
Name & address

Witness 2
Name & address

Witness 2
Name & address

Place:
Date:

Place:
Date:

