INTEGRITY PACT

Between

Power Grid Corporation of India Limited
having its Registered Office at B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi – 110 016

hereinafter referred to as

"POWERGRID",

and

_____

[Insert the name of the Sole Bidder/Lead Partner of Joint Venture]

having its Registered Office at _____

(Insert full Address)

_____

and

_____

[*Insert the name of the Partner(s) of Joint Venture, as applicable]*

having its Registered Office at _____

(Insert full Address)

_____

hereinafter referred to as

"The Bidder/Contractor"

Preamble

POWERGRID intends to award, under laid-down organisational procedures, contract(s) for _____

[Insert the name of the package]

_____ Package and Specification Number _____. POWERGRID values full compliance with all

[Insert Specification Number of the package]

relevant laws of the land, rules, regulations, economic use of resources, and of fairness / transparency in its relations with its Bidders/ Contractors.

In order to achieve these goals, POWERGRID and the above-named Bidder/Contractor enter into this agreement called '**Integrity Pact**' which will form a part of the bid.

It is hereby agreed by and between the parties as under:

Section I - Commitments of POWERGRID

(1) POWERGRID commits itself to take all measures necessary to prevent corruption and to observe the following principles:

a) No employee of POWERGRID, personally or through family members, will in connection with the tender, or the execution of the contract, demand, take a promise for or accept, for him/herself or third person, any material or other benefit which he/she is not legally entitled to.

b) POWERGRID will, during the tender process treat all Bidder(s) with equity, fairness **and reason**. POWERGRID 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) POWERGRID will exclude from evaluation of Bids its such employee(s) who has any **personal** interest in the Companies/Agencies participating in the Bidding/Tendering process **and all known prejudiced persons**.

(2) **If POWERGRID obtains information on the conduct of any of its employee which is a criminal offence under the IPC / PC Act, or if there be a substantive suspicion in this regard, POWERGRID will inform its Chief Vigilance Officer and in addition disciplinary actions can be initiated under POWERGRID's Rules.**

Section II - Commitments of the Bidder/Contractor

(1) The Bidder/Contractor commits **itself** to take all measures necessary to prevent corruption. The **Bidder/Contractor** commits **itself** to observe the following principles during **its** participation in the tender process and during the contract execution:

a) The Bidder/Contractor will not, directly or through any other person or firm, offer, promise or give **to any of POWERGRID's** employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which it is not legally entitled

to, in order to obtain in exchange an advantage of any kind whatsoever during the tender process or during the execution of the contract.

b) The Bidder/Contractor will not enter into any illegal **or undisclosed** agreement or understanding, whether formal or informal with other Bidders/Contractors. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or actions to restrict competitiveness or to introduce cartelization in the bidding process.

c) **The Bidder/Contractor shall not pass any information provided by POWERGRID as part of business relationship to others and shall not commit any offence under PC/IPC Act**.

d) The Bidder/Contractor of foreign origin shall disclose the name and address of the Agents/representatives in India, if any, involved directly or indirectly in the Bidding. Similarly, the Bidder/Contractor of Indian Nationality shall furnish the name and address of the foreign principals, if any, involved directly or indirectly in the Bidding.

e) The Bidder/Contractor will, when presenting his bid, disclose any and all **payments made**, or committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract and/or with the execution of the contract.

f) The Bidder/Contractor will not misrepresent facts or furnish false/forged documents/information in order to influence the bidding process or the execution of the contract to the detriment of POWERGRID.

g) **The Bidder/Contractor shall ensure adoption of Integrity Pact by its Sub-contractors and shall be responsible for the same.**

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

Section III- Disqualification from tender process and exclusion from future contracts

(1) If the Bidder, before contract award, has **committed a transgression** through a violation of Section II or in any other form such as to put his reliability or credibility as Bidder into question, POWERGRID may disqualify the Bidder from the tender process or terminate the contract, if already signed, for such reason.

(2) If the Bidder/Contractor has **committed a transgression** through a violation of Section II such as to put his reliability or credibility into question, POWERGRID may, after following due procedures, **ban /blacklist the Bidder/Contractor in**

line with POWERGRID's policy for "Black-Listing of Firms / Banning of Business". The imposition and duration of the **ban** will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder/Contractor and the amount of the damage. The **ban** will be **imposed for a maximum of 3 years**.

(3) If the Bidder/Contractor can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, POWERGRID may revoke the **ban** prematurely.

Section IV - Liability for violation of Integrity Pact

(1) If POWERGRID has disqualified the Bidder from the tender process prior to the award under Section III, POWERGRID **is entitled for forfeiture of** the Bid Guarantee under the Bid.

(2) If POWERGRID has terminated the contract under Section III **or if POWERGRID is entitled to terminate the contract under Section III**, POWERGRID **shall be entitled** to forfeit the Contract Performance Guarantee of this contract, **in full or part thereof as may be decided**, besides resorting to other remedies under the contract.

Section V- Previous Transgression

(1) The Bidder shall **disclose in its Bid any** transgressions occurred in the last **10** years with any other Public Sector Undertaking **or Government Department or any other Company, in any country, that may impinge on the Anti-corruption principle**.

(2) If the Bidder makes incorrect statement on this subject, **it** can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason and **further action can be taken in line with POWERGRID's policies.**

Section VI - Equal treatment to all Bidders/Contractors

(1) POWERGRID will enter into agreements with identical conditions as this one with all Bidders.

(2) POWERGRID will disqualify from the tender process any bidder who does not sign this Pact or violate its provisions.

Section VII - Punitive Action against violating Bidders/Contractors

If POWERGRID obtains knowledge of conduct of a Bidder or a Contractor or **its** subcontractor or of an employee or a representative or an associate of a Bidder or Contractor or his Subcontractor which constitutes corruption, or if POWERGRID has substantive suspicion in this regard, POWERGRID will inform the Chief Vigilance Officer (CVO).

(*)**Section VIII - Independent External Monitor/Monitors**

(1) POWERGRID has appointed a panel of Independent External Monitors (IEMs) for this Pact with the approval of Central Vigilance Commission (CVC), Government of India. **The names of the IEMs have been indicated in the Bidding Documents.**

(2) The **panel of IEMs shall** review independently and objectively whether and to what extent the parties comply with the obligations under this agreement. **The panel of IEMs** has right of access to all project documentation. **The panel of IEMs** may examine any complaint received by **them** and submit a report to Chairman-cum-Managing Director, POWERGRID, **giving joint findings**, at the earliest. **The panel** of IEMs may also submit a report directly to the CVO and the CVC, in case of suspicion of serious irregularities attracting the provisions of the PC Act.

(3) The IEM is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He / **She** reports to the Chairman-cum-Managing Director, POWERGRID.

(4) The Bidder(s)/Contractor(s) accepts that the IEM has the right to access without restriction to all documentation of POWERGRID related to this contract including that provided by the Contractor/Bidder. The Bidder/Contractor will also grant the IEM, upon his / **her** request and demonstration of a valid interest, unrestricted and unconditional access to **their** documentation. The same is applicable to Subcontractors. The IEM is under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Subcontractor(s) with confidentiality.

(5) POWERGRID will provide to the IEMs information as sought by him / **her** which could have an impact on the contractual relations between POWERGRID and the Bidder/Contractor related to this contract. **The IEMs shall also sign declaration on 'Non-Disclosure of Confidential Information' and of 'Absence of Conflict of Interest'. In case of any conflict of interest arising at a later date, the IEM shall inform Chairman-cum-Managing Direct**or, **POWERGRID and recuse himself/herself from that case.**

(6) As soon as the IEM notices, or believes to notice, a violation of this agreement, he **/ she** will so inform the Chairman-cum-Managing Director, POWERGRID and request the Chairman-cum-Managing Director, POWERGRID to

discontinue or take corrective action, or to take other relevant action. The IEM can in this regard submit non-binding recommendations. Beyond this, the IEM has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action. However, the IEM shall give an opportunity to POWERGRID and the Bidder/Contractor, as deemed fit, to present its case before making its recommendations to POWERGRID.

(7) The IEM will submit a written report to the Chairman-cum-Managing Director, POWERGRID within 8 to 10 weeks from the date of reference or intimation to him by POWERGRID and, should the occasion arise, submit proposals for correcting problematic situations.

(8) If the IEM has reported to the Chairman-cum-Managing Director, POWERGRID, a substantiated suspicion of an offence under **PC / IPC Act**, and the Chairman-cum-Managing Director, POWERGRID has not, within the reasonable time taken visible action to proceed against such offence or reported it to the CVO, the Monitor may also transmit this information directly to the CVC, Government of India.

(9) **While representing any matter in relation to the Integrity pact inter-alia including its transgression to the panel of IEMs, POWERGRID and Bidder/Contractor shall not approach the court of law and await the decision of the IEM in the matter.**

(10) The word '**IEM**' would include both singular and plural.

(*) This Section shall be applicable for only those packages wherein the IEMs have been identified in Section – I : Invitation for Bids and/or Clause ITB 9.3 in Section – III: Bid Data Sheets of Conditions of Contract, Volume-I of the Bidding Documents.

Section IX - Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor after the closure of the contract and for all other Bidder's six month after the contract has been awarded.

Section X - Other Provisions

(1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the establishment of POWERGRID. The Arbitration clause provided in the main tender document / contract shall not be applicable for any issue / dispute arising under Integrity Pact.

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

(3) If the Contractor is a partnership firm or a consortium or Joint Venture, this agreement must be signed by all partners, consortium members and Joint Venture partners.

(4) Nothing in this agreement shall affect the rights of the parties available under the General Conditions of Contract (GCC) and Special Conditions of Contract (SCC).

(5) **Issues like Warranty/Guarantees etc. shall be outside the purview of IEMs.**

(6) Views expressed or suggestions/submissions made by the parties and the recommendations of the ***CVO/***IEM# in respect of the violation of this agreement, shall not be relied on or introduced as evidence in the arbitral or judicial proceedings (arising out of the arbitral proceedings) by the parties in connection with the disputes/differences arising out of the subject contract.

CVO shall be applicable for packages wherein IEM are not identified in Section IFB/BDS of Condition of Contract, Volume-I. IEM shall be applicable for packages wherein IEM are identified in Section IFB/BDS of Condition of Contract, Volume-I.

(7) 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.

Note: POWERGRID is acting as consultant to SJVN Arun-3 Power Development Company Pvt. Limited (SAPDC), who are the Employer/ Owner of the project. Procurement activities such as placement of Award(s) on Contractor, Signing of Contract Agreement with Contractor and release of payment to Contractor (on certification by POWERGRID) & Post award execution shall be carried out by SAPDC and all other Project Management Consultancy Services as defined in the bidding documents under the subject package shall be carried out by POWERGRID. It is clearly understood by both the parties that the above pact shall be applicable accordingly.

(Signature) _____	(Signature) _____
(For & On behalf of POWERGRID)	**(For & On behalf of Bidder/ Partner(s) of Joint Venture/ Contractor)**
(Office Seal)	(Office Seal)
Name:_____	Name:_____
Designation:_____	Designation:_____

Witness 1 :_____

(Name & Address) _____

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Witness 2 :_____

(Name & Address) _____

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Witness 1 :_____

(Name & Address) _____

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Witness 2 :_____

(Name & Address) _____

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