



INTEGRITY PACT

Between

FERRO SCRAP NIGAM LTD, hereinafter, referred to as "FSNL",

and

..... hereinafter referred to as "The Bidder/Contractor"

1. FSNL intends to award the contracts for the job

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Vide Tender Enquiry nodate under laid down organizational procedures. FSNL values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness and transparency in its relations with its Bidder(s) and / or Contractor(s).

2. Objectives:

In order to achieve these goals, FSNL and bidder agree to enter into this pre-contract agreement, hereinafter referred to as Integrity pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence / unprejudiced dealings prior to during and subsequent to the currency of the contract with a view to:

2.1 Enabling FSNL to obtain the desired product / service at a competitive price in accordance with the specifications by avoiding the high cost and distortionary impact of corruption on public procurement, and

2.2 Enabling bidder to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and FSNL will commit to prevent corruption in any form by their officials by following transparent procedures.

3. Commitments of FSNL

FSNL commits itself to take all measures necessary to prevent corruption and to observe the following principles:

3.1 No employee of FSNL, personally or through family members, will in connection with the tender for, or the execution of a 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.

3.2 FSNL will, during the tender process treat all Bidder(s) with equity and reason. FSNL 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.

3.3 FSNL will exclude from the process all known prejudiced persons.



3.4 If FSNL 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, FSNL will inform its Vigilance Office and in addition can initiate disciplinary actions.

4. Commitments of the Bidder(s)/Contractor(s)

The Bidder(s)/Contractor(s) commit themselves 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.

4.1 The Bidder(s) /Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of FSNL's employees involved in the tender process or the execution of the contract or to any third person any material or immaterial 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.

4.2 The Bidder(s)/Contractor(s) will not enter with other Bidder(s) 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.

4.3 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 documents provided by FSNL as part of the business relationship, regarding plans technical proposals and business details, including information contained or transmitted electronically.

4.4 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.

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

4.6 Foreign bidders to disclose the name and address of agents and representatives in India and Indian Bidders to disclose their foreign principals or associates.

5. Disqualification from tender process and exclusion from future contracts

If the Bidder(s)/Contractor(s), before contract award or during execution, has committed a transgression through a violation of Section 4 above or in any other form such as to put his reliability or credibility in question, FSNL is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or to terminate the contract, if already signed, for such reason.



- 5.1 If the Bidder(s)/Contractor(s) has committed a transgression through a violation of Section 2 above such as to put his reliability or credibility in question, FSNL is entitled also to exclude the Bidder(s)/Contractor(s) from future tender processes. The imposition and duration of the exclusion 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(s)/Contractor(s) and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.
- 5.2 If the Bidder(s)/Contractor(s) can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, FSNL may revoke the exclusion prematurely.
- 5.3 A transgression is considered to have occurred if in light of available evidence, no reasonable doubt is possible.

6. Compensation for Damages

- 6.1 If FSNL has disqualified the Bidder(s) from the tender process prior to the award according to Section 3 above, FSNL is entitled to demand from the Bidder(s) liquidated damages equivalent to 3% of the value of the offer or the amount equivalent to Earnest Money Deposit/Bid Security, whichever is higher.
- 6.2 If FSNL has terminated the contract according to Section 3, or if FSNL is entitled to terminate the contract according to Section 3, FSNL shall be entitled to demand and recover from the Bidder(s) liquidated damages equivalent to 5% of the contract value or the amount equivalent to Security Deposit/Performance Bank Guarantee, whichever is higher.
- 6.3 If the Bidder(s)/Contractor(s) can prove that their exclusion from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount of the liquidated damages, the Bidder(s)/Contractor(s) has to compensate only the damage in the amount proved. If FSNL can prove that the amount of the damage caused by the disqualification of the Bidder(s)/Contractor(s) before contract award or the termination of the contract after contract award is higher than the amount of the liquidated damages, it is entitled to claim compensation for the higher amount of damages.

7. Previous Transgression

- 7.1 The Bidder(s)/Contractor(s) to disclose any transgression with any other public/government organization that may impinge on the anti-corruption principle. The date of such transgression, for the purpose of disclosure by the bidders in this regard, would be the date on which cognizance of the said transgression was taken by the Competent Authority. The period for which such



transgression(s) is/ are to be reported by the bidders shall be the last three years to be reckoned from the date of bid submission. The transgression(s), for which cognizance was taken even before the said period of three years, but are pending conclusion, shall also be reported by the bidders.

7.2 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.

8. Equal treatment of all Bidders/Contractors/Sub-contractors

8.1 The Bidder(s)/Contractor(s) undertake(s) to demand from all sub-contractor(s) a commitment in conformity with this Integrity Pact, and to submit it to FSNL before contract signing.

8.2 FSNL will enter into agreements with identical conditions as this one with all Bidders, Contractors and subcontractors.

8.3 FSNL will disqualify from the tender process all Bidder(s) who do not sign this Pact or violate its provisions.

9. Criminal Charges against violating Bidder(s)/Contractor(s)/sub-contractors

If FSNL 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 Sub-contractor which constitutes corruption, or if FSNL has substantive suspicion in this regard, FSNL will inform the same to the Vigilance Office.

10. Independent External Monitor

10.1 FSNL has appointed Independent External Monitor (IEM) for this Pact in consultation with Central Vigilance Commission (Names and addresses of the Monitors are given below)

Shri Anil Kumar Ganeriwala,
J-65, 2nd Floor, Saket,
New Delhi- 110 017.
Email: anilganeriwala86@gmail.com

Shri Dinesh Kumar Batra,
G-1/106, Elegant House, Ramprastha Greens,
Vaishali, Sector-7, Ghaziabad-201012(UP)
Email: dineshbatra11@gmail.com

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.

The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He will convey his observations to the Managing Director of FSNL.

10.2 The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of FSNL including that provided



by the contractor. The 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 is under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/ Subcontractor(s) with confidentiality.

FSNL 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 FSNL and the Contractor. The parties offer to the Monitor the option to participate in such meetings.

10.3 As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of FSNL and request the Management to discontinue or heal the violation, 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.

The Monitor will submit a written report to the Managing Director of FSNL within 8 to 10 weeks from the date of reference or intimation to him by FSNL and should the occasion arise, submit proposals for correcting problematic situations.

If the Monitor has reported to the M.D., FSNL a substantiated suspicion of an offence under relevant IPC/PC Act, and the M.D. 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, Government of India.

10.4 The word "Monitor" would include both singular and plural.

11. Pact Duration

11.1 This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective 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 M.D., FSNL.

12. Other Provisions

12.1 This agreement is subject to Indian Law. Place of performance and jurisdiction is the Corporate Office of FSNL, i.e. Bhilai. The arbitration clause provided in the main tender document / contract shall not be applicable for any issue / dispute arising under the Integrity pact.

Changes and supplements as well as termination notices need to be made in writing. If the Vendor is a partnership firm or a consortium or Joint Venture this



agreement must be signed by all partners or consortium members and Joint venture partners.

12.2 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.

12.3 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.

12.4 The person signing the Integrity Pact shall not approach the Courts while representing the matters to IEMs/ Arbitration and he/ she awaits their decision in the matter”.

The parties hereby sign this integrity pact at-----on -----

For FSNL

For Bidder/Contractor

Place : _____

Date : _____

Witness 1
(Name & address)

Witness 2
(Name & address)