

# **INTEGRITY PACT**

## INTEGRITY PACT

### INTRODUCTION:

TFL, as one of its endeavour to maintain and foster most ethical and corruption free business environment and to ensure transparency, equity & competitiveness in public procurement, has adopted Integrity Pact, to ensure that all activities and transactions between the Company (TFL) and its Counterparties (Bidders, Contractors, Vendors, Suppliers, Service Providers/Consultants etc.) are handled in a fair and transparent manner, completely free of corruption.

The adoption and implementation of Integrity Pact is governed as per directives and Standard Operating Procedure (SoP) issued by Central Vigilance Commission from time to time.

Bidder is required to execute the Integrity Pact on plain paper as per format & terms and conditions enclosed with all tenders having estimated value of **Rs 1 Crore and above**. In case, a bidder does not sign the Integrity Pact, their bid shall be liable for rejection.

If a Counterparty commits a violation of its Commitments and Obligations under the Integrity Pact during bidding process, their entire Earnest Money Deposit/ Bid Security, would be forfeited and in addition, action shall be taken as per **“Procedure for action in case Corrupt /Fraudulent/ Collusive/Coercive Practices”**.

In case of violation of the Integrity pact by Counterparty after award of the Contract, TFL shall be entitled to terminate the Contract. Further, TFL would forfeit the Security Deposit/ Contract Performance Security and in addition, action shall be taken as per **“Procedure for action in case Corrupt /Fraudulent/ Collusive/Coercive Practices”**.

*[Handwritten Signature]*



## INDEPENDENT EXTERNAL MONITORS (IEMS)

Presently the panel consisting of the following Independent External Monitors (IEMs) have been appointed by TFL, in terms of Integrity Pact (IP) which forms part of TFL Tenders / Contracts.

- i) Sh. Seshagiri Rao Annangi (Email ID: [seshagiri2@gmail.com](mailto:seshagiri2@gmail.com))
- ii) Lt. Gen Harsha Gupta (Email ID: [hharsha14@hotmail.com](mailto:hharsha14@hotmail.com))

This panel is authorised to examine / consider all references made to it under this tender/ contract.

"The bidder(s), in case of any dispute(s) / complaint(s) pertaining to this tender falling under provisions of Integrity Pact may raise the same either directly with the IEMs on the panel or with CC to them through their Nodal Officer - Sh. Vivek Mishra, CM (C&P) – Email: [vivekmishra@tflonline.co.in](mailto:vivekmishra@tflonline.co.in), Address: Talcher Fertilizers Limited, Administrative Building, Post – Vikrampur, Dist. Angul, Odisha - 759106.

On receipt of such complaints/representations, Nodal Officer shall coordinate with IEM Panel and TFL authorities concerned for their disposal as per extant guidelines.

*Vivek Mishra*



## INTEGRITY PACT (IP)

(To be executed on plain paper)

Between

Talcher Fertilizers Limited (TFL) [here-in-after referred to as "Principal"].

AND

\_\_\_\_\_ (here-in-after referred to as "The Bidder/  
Contractor").

(Principal and the Bidder / Contractor are here-in-after are referred to individually as "Party" or collectively as "Parties").

### PREAMBLE

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

In order to achieve these goals, the Principal has appointed Independent External Monitors (IEMs) who will monitor the tender process for compliance with the principles mentioned in this Integrity Pact, the terms and conditions of which shall also be read as integral part and parcel of the tender document and contract between the parties.

### Section 1 – Commitments of the Principal

1. The Principal commits itself to take all measures necessary to prevent corruption and to observe the following Principles:-
  - i) No employee of the Principal, 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 for a third person, any material or immaterial benefit which the person is not legally entitled to.
  - ii) The Principal will, during the tender process treat all Bidder(s) with equity and reasons. 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.



- iii) The Principal will exclude from the process all known prejudiced persons.
2. If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Bharatiya Nyaya Sanhita (BNS)/ Prevention of Corruption Act (PC Act), or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can also initiate disciplinary action(s) as per its internal laid down policy and procedure.

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

1. The Bidder (s) / Contractor (s) commits themselves to take all measures necessary to prevent corruption. The Bidder (s)/ Contractor (s) commits themselves to observe the following principles during participation in the tender process and during the Contract execution:
- i) The Bidder(s) / Contractor(s) will not, directly or through any other person or firm, offer, promise or give 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 or 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.
- ii) The Bidder(s) / Contractor(s) will not enter with other Bidders into any illegal or undisclosed agreement or understanding, whether formal or informal, including but not limited to prices, specifications, scope of work, certifications, subsidiary contracts, submission or non-submission of bids or any other action(s) to restrict competitiveness or to introduce cartelization in the bidding process.
- iii) The Bidder (s) / Contractor (s) will not commit any offence under the relevant BNS/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 document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
- iv) The Bidder (s)/ Contractor (s) 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 (s)/ Contractor (s) of Indian Nationality shall furnish the name and address of the foreign principals, if any, involved directly or indirectly in the bidding. Further, all the payments made to the Indian agent/ representative have to be in India Rupees only.



- v) The Bidder (s) / Contractor (s) will, when presenting their 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.
  - vi) The Bidder(s)/Contractor(s) shall 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 the Principal.
  - vii) Bidder(s) / Contractor(s) who have signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.
2. The Bidder(s)/ Contractor(s) shall not instigate third person to commit offences outlined above or be an accessory to such offences.

**Section 3 – Disqualification from tender process and exclusion from future contracts**

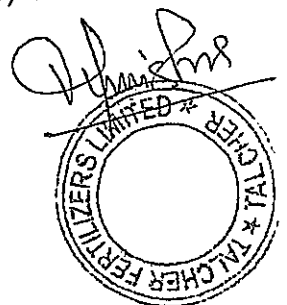
If the Bidder (s) / Contractor (s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put their reliability or credibility in question, the Principal is entitled to disqualify the Bidder (s) / Contractor (s) from the tender process and / or take action as per provisions of “**Procedure for action in case Corrupt /Fraudulent/ Collusive/Coercive Practices**”.

**Section 4 – Compensation for Damages**

1. If the Principal has disqualified the Bidder (s) from the tender process prior to the award in accordance with Section 3, the Principal is entitled to demand and recover the damages by forfeiting Earnest Money Deposit / Bid Security.
2. If the Principal has terminated the Contract in accordance with Section 3, or if the Principal is entitled to terminate the Contract in accordance with Section 3, the Principal shall be entitled to demand and recover from the Contractor the damages by forfeiting Contract Performance Security or its equivalent amount (in part/full), as may be decided by the Principal besides resorting to other remedies under the contract and as provided under law.

**Section 5 – Previous transgression**

1. Bidder(s) to disclose any transgressions 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 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.

2. If the Bidder(s) make false statement on this subject, they can be disqualified from the tender process and/or actions can be taken as per provisions of "Procedure for action in case Corrupt /Fraudulent/ Collusive/Coercive Practices"

#### **Section 6 – Equal treatment to all Bidders / Contractors / Subcontractors**

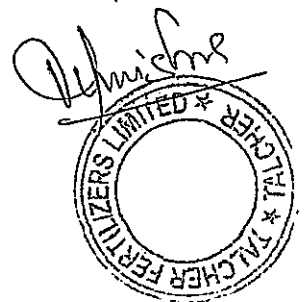
1. If the Bidder is a Partnership Firm, **Integrity Pact(IP)** is required to be signed by all the Partners. If the Bidder is a Consortium/ Unincorporated Joint Venture/Association of Persons, formed solely for the purpose of executing the tendered project, this Pact must be signed by all the Partners/ members of such Consortium/Unincorporated Joint Ventures/Association of Persons. In case Bidder is a Company, including Joint Venture Company, the Pact must be signed by a representative of the Company duly authorized by Board resolution.
2. The Bidder (s) / Contractor(s) shall alone be responsible for any compliance or violation (s) of the provisions laid down in the Pact by any/all of their sub-contractor (s) or sub-vendor (s).
3. The Principal will enter into agreements with identical conditions with all Bidders and Contractors as per this format.
4. The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

#### **Section 7 – Criminal charges against violating Bidder (s) / Contractor (s) / Sub-contractor (s)**

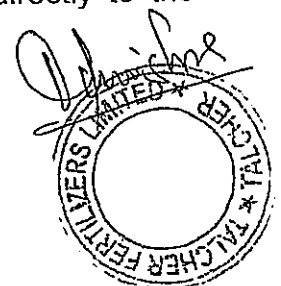
If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform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

#### **Section 8 –Independent External Monitor / Monitors**

1. The Principal appoints competent and credible Independent External Monitor for this Pact after approval by Central Vigilance Commission. 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.



2. The IEM(s) are not subject to instructions by the representatives of the parties and performs his/her functions neutrally and independently. The IEM(s) would have access to all documents / records pertaining to the contract for which a complaint or issue is raised before them, as and when warranted. It will be obligatory for him/her to treat the information and documents of the Bidders / Contractors as confidential. IEM(s) reports to MD, TFL.
3. The Bidder (s)/ Contractor (s) accepts that the IEM(s) have the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the IEM(s), upon his/her request and demonstration of a valid interest, unrestricted and unconditional access to their project documentation. The same is applicable to Sub-contractors and it shall be the responsibility of the Bidder(s) to ensure the compliance by their sub-contractor(s) appointed as per the provisions of tender as and when warranted.
4. The IEM(s) are under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Subcontractor(s) with confidentiality. The IEM(s) have also signed declarations 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(s) shall inform MD, TFL and recuse himself/herself from that case.
5. The Principal will provide to the IEM(s) sufficient information about all meetings among the parties related to the Project/tender provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the IEM(s) the option to participate in such meetings.
6. As soon as the IEM(s) notice, a violation of this agreement, they 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 IEM(s) can in this regard submit non-binding recommendations. Beyond this, the IEM(s) have no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
7. The IEM(s) will submit a written report to the MD, TFL within 30 days from the date of reference or intimation to them by the 'Principal' and, should the occasion arise, submit proposals for correcting problematic situations.
8. If the IEM(s) has reported to the MD, TFL a substantiated suspicion of an offence under the relevant BNS/PC Act, and the MD, TFL has not, within the reasonable time, taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, then only in case of very serious issue having a specific, verifiable Vigilance angle, the matter may be reported directly to the Central Vigilance Commission (CVC).



9. The word IEM(s) would include both singular and plural.
10. In case of any complaints is referred under IP Program accompanied by IP duly signed by an intending bidder, only then the same shall be taken into cognizance by the IEM(s). The role of IEM(s) is advisory and would not be legally binding and it is restricted to resolving the issues raised by an intending bidder regarding any aspect(s) of the tender which allegedly restricts competition or bias towards some bidder.
11. The IEM(s) shall examine all the representations / grievances / complaints received by them from the bidders or their authorized representative related to any discrimination on account of lack of fair play in modes of procurement and bidding systems, tendering method, eligibility conditions, bid evaluation criteria, commercial terms & conditions, choice of technology/specifications etc.

### **Section 9 – Pact Duration**

This IP shall come into force 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. Any violation to the same would entail disqualification of the bidders and exclusion from future business dealings as provided under the tender.

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 MD, TFL.

### **Section 10 – Other provisions**

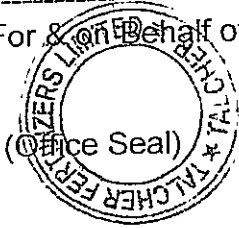
1. This agreement is subject to Indian Law. Place of performance and exclusive jurisdiction is the Registered Office of the Principal, i.e. Bhubaneswar. The arbitration/conciliation clause provided in the main tender document/contract shall not be applicable for any issue/dispute arising under Integrity pact.
2. Changes and supplements -as well as termination notices, if any, need to be made in writing. Side agreements have not been made.
3. Should one or several of the 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.
4. All rights and remedies of the parties hereto shall be in addition to all the other legal rights and remedies belonging to such parties under the Tender/Contract



and/or law and the same shall be deemed to be cumulative and not alternative to such legal rights and remedies aforesaid. For the sake of brevity, both the Parties agree that this Pact will have precedence over the Tender/Contract documents with regard to any of the provisions covered under this Pact.

*Amish*

\_\_\_\_\_  
(For & on Behalf of Principal)



Place \_\_\_\_\_  
Date \_\_\_\_\_

\_\_\_\_\_  
(For & on Behalf of Bidder/Contractor)

(Office Seal)

Witness 1:  
(Sign, Name & Address)  
[FOR PRINCIPAL]

*Geegam*  
.....  
SURA DEOGAM, MANAGER (C&P)  
TFL, TALCHER, .....

Witness 2:  
(Sign, Name & Address)  
[FOR BIDDER / CONTRACTOR]

.....  
.....  
.....