	<b>CENTRAL PROCUREMENT CELL (CPC) PURCHASE DEPARTMENT</b>	<b>GENERAL CONDITIONS OF CONTRACT (GCC)</b>	<b>ANNEXURES</b>
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**ANNEXURE – XIV**

**INTEGRITY PACT**

**Between**

Bharat Heavy Electricals Ltd. (BHEL), a company registered under the Companies Act 1956 and having its registered office at "BHEL House", Siri Fort, New Delhi – 110049 (India) hereinafter referred to as "The Principal", which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the ONE PART

**and**

\_\_\_\_\_ (description of the party along with address), hereinafter referred to as "The Bidder/ Contractor" which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the OTHER PART

**Preamble**

The Principal intends to award, under laid-down organizational procedures, contract(s) for \_\_\_\_\_

(hereinafter referred to as "Contract"). The Principal values full compliance with all relevant laws of the land, rules and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder(s)/ Contractor(s).

In order to achieve these goals, the Principal will appoint panel of Independent External Monitor(s) (IEMs), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.


**Section 1- Commitments of the Principal**

- 1.1. The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles: -
  - 1.1.1 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 third person, any material or immaterial benefit which the person is not legally entitled to.
  - 1.1.2 The Principal will, during the tender process treat all Bidder(s) with equity and reason. 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.
  - 1.1.3 The Principal will exclude from the process all known prejudiced persons.
- 1.2. If the Principal obtains information on the conduct of any of its employees which is a penal offence under the Indian Penal Code 1860 and Prevention of Corruption Act 1988 or any other statutory penal enactment, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

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

*Manoj Kumar*

**मनोज कुमार / Manoj Kumar**  
 जन्य प्रबन्धक (जन) / Dy. General Manager (Purchase)  
 केंद्र प्रबन्धक, शक्ति, शक्ति सेक्टर-मुम्बई  
 Central Procurement Cell, Power Sector-HQ.  
 भारत भारी बिजली लिमिटेड / Bharat Heavy Electricals Ltd.  
 अटली इंडिया, प्लॉट नं. 25, सेक्टर-16B, नई दिल्ली-110049 (एच.ए.)  
 8th Floor, BHEL Saban, Plot No. 25, Sector-16B, Noida-201301 (I.P.)

	<p style="text-align: center;"><b>CENTRAL PROCUREMENT CELL (CPC) PURCHASE DEPARTMENT</b></p>	<p style="text-align: center;"><b>GENERAL CONDITIONS OF CONTRACT (GCC)</b></p>	<p style="text-align: center;"><b>ANNEXURES</b></p>
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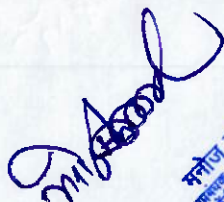
- 2.1. The Bidder(s)/ Contractor(s) commit himself to take all measures necessary to prevent corruption. The Bidder(s)/ Contractor(s) commits himself to observe the following principles during participation in the tender process and during the contract execution.
- 2.1.1. The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to the Principal or 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, immaterial or any 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.
- 2.1.2. The Bidder(s)/ Contractor(s) will not enter with other Bidder(s) into any illegal or 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.
- 2.1.3. The Bidder(s)/ Contractor(s) will not commit any penal offence under the relevant Indian Penal Code (IPC) and Prevention of Corruption 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.
- 2.1.4. Foreign Bidder(s)/ Contractor(s) shall disclose the name and address of agents and representatives in India and Indian Bidder(s)/ Contractor(s) to disclose their foreign principals or associates. The Bidder(s)/ Contractor(s) will, when presenting his bid, disclose any and all payments he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- 2.2. The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.
- 2.3. The Bidder(s)/ Contractor(s) shall not approach the Courts while representing the matters to IEMs and shall await their decision in the matter.

**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 acts in any other manner such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/ Contractor(s) from the tender process, terminate the contract, if already awarded, exclude from future business dealings and/ or take action as per the separate "Guidelines on Banning of Business dealings with Suppliers/ Contractors", framed by the Principal.

**Section 4 - Compensation for Damages**

- 4.1. If the Principal has disqualified the Bidder (s) from the tender process before award / order acceptance according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/ Bid Security.
- 4.2. If the Principal is entitled to terminate the Contract according to Section 3, or terminates the Contract in application of Section 3 above, the Bidder(s)/ Contractor (s) transgression through a violation of Section 2 above shall be construed breach of contract and the Principal shall be entitled to demand and recover from the Contractor an amount equal to 5% of the contract value or the amount equivalent to Security Deposit/

  
**मनोज कुमार/Manoj Kumar**  
 General Manager (Purchase)  
 Central Procurement Cell, Power Sector-HQ,  
 अखिल भारतीय विद्युत नियंत्रण आयोग/ Bharat Heavy Electricals Ltd.,  
 8th Floor, BHEL Sadana, Post No. -5, Sector-18A, Noida-201301 (U.A.)



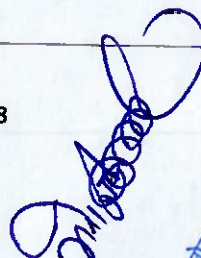
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- 8.4. The Principal will provide to the IEMs sufficient information about all meetings among the parties related to the Contract provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the IEMs the option to participate in such meetings.
- 8.5. The role of IEM is advisory and the advice of IEM is non-binding on the Organization. However, as IEMs are invariably persons with rich experience who have retired as senior functionaries of the government, their advice would help in proper implementation of the IP.
- 8.6. For ensuring the desired transparency and objectivity in dealing with the complaints arising out of the tendering process, the matter should be examined by the full panel of IEMs jointly, who would look into the records, conduct an examination, and submit their joint recommendations to the Management. In case the full panel is not available due to some unavoidable reasons, the available IEM(s) will conduct examination of the complaints. Consent of the IEM(s), who may not be available, shall be taken on record.
- 8.7. The IEMs 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.
- 8.8. The CMD, BHEL shall decide the compensation to be paid to the IEMs and its terms and conditions.
- 8.9. IEMs should examine the process integrity, they are not expected to concern themselves with fixing of responsibility of officers. Complaints alleging mala fide on the part of any officer of the Principal should be looked into by the CVO of the Principal.
- 8.10. If the IEMs have reported to the CMD, BHEL, a substantiated suspicion of an offence under relevant Indian Penal Code / Prevention of Corruption Act, and the CMD, BHEL has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the IEMs may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
- 8.11. After award of work, the IEMs shall look into any issue relating to execution of Contract, if specifically raised before them. As an illustrative example, if a Contractor who has been awarded the Contract, during the execution of Contract, raises issue of delayed payment etc. before the IEMs, the same shall be examined by the panel of IEMs.
- 8.12. However, the IEMs may suggest systemic improvements to the management of the Principal, if considered necessary, to bring about transparency, equity and fairness in the system of procurement.
- 8.13. The word 'Monitor' would include both singular and plural.

**Section 9 - Pact Duration**

- 9.1. This Integrity Pact shall be operative from the date this Integrity Pact is signed by both the parties. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.
- 9.2. If any claim is made/ lodged during currency of this Integrity Pact, 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 CMD, BHEL.

**Section 10 - Other Provisions**

  
 मनीष कुमार/Manoj Kumar  
 Dy. General Manager (Purchase)  
 Central Procurement Cell, Power Sector -HQ  
 भारत हीरो एलिक्ट्रिकल्स लि. बिहार हीरो एलिक्ट्रिकल्स लि.  
 8th Floor, BHEL Sadan, Plot No. 25, Sector-16A, Noida-201301 (UP)



**CENTRAL  
PROCUREMENT CELL  
(CPC)  
PURCHASE DEPARTMENT**

**GENERAL CONDITIONS OF  
CONTRACT (GCC)**

**ANNEXURES**

- 10.1. This Integrity Pact is subject to Indian Laws and exclusive jurisdiction shall be of the competent Courts as indicated in the Tender or Contract, as the case may be.
- 10.2. Changes and supplements as well as termination notices need to be made in writing.
- 10.3. If the Bidder(s)/ Contractor(s) is a partnership or a consortium or a joint venture, this Integrity Pact shall be signed by all partners of the partnership or joint venture or all consortium members.
- 10.4. Should one or several provisions of this Integrity Pact turn out to be invalid, the remainder of this Integrity Pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- 10.5. Only those bidders / contractors who have entered into this Integrity Pact with the Principal would be competent to participate in the bidding. In other words, entering into this Integrity Pact would be a preliminary qualification.
- 10.6. In the event of any dispute between the Principal and Bidder(s)/ Contractor(s) relating to the Contract, in case, both the parties are agreeable, they may try to settle dispute through Mediation before the panel of IEMs in a time bound manner. If required, the Principal may adopt any mediation rules for this purpose. However, not more than five meetings shall be held for a particular dispute resolution. The fees/expenses on dispute resolution shall be equally shared by both the parties. In case, the dispute remains unresolved even after mediation by the panel of IEMs, either party may take further action as per the terms & conditions of the Contract.

*[Handwritten Signature]*

For & On behalf of the Principal  
(Office Seal)

For & On behalf of the Bidder/ Contractor  
(Office Seal)

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

Witness: मनोज कुमार/Manoj Kumar  
उप महाप्रबंधक (अर्थ) / Dy. General Manager (Purchase)  
 केंद्रीय खरीद सेल, पावर सेक्टर-मुख्यालय  
 Central Procurement Cell, Power Sector-HQ.  
 भारत भारी इलेक्ट्रिकल्स लिमिटेड / Bharat Heavy Electricals Ltd.  
 आठवीं मंजिल, बेल बंदर, प्लॉट नं. 25, सेक्टर-16A, नोएडा-201301 (उ.प्र.)  
 8th Floor, BHEL Sodar, Plot No. 25, Sector-16A, Noida-201301 (U.P.)

Witness: \_\_\_\_\_  
(Name & Address) \_\_\_\_\_