

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

VACUUM INTERRUPTER (9 ITEMS)
THROUGH BHOPAL (BHEL) ENQUIRY No. E4503012

_____. 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 Independent External Monitor(s), 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)

- 2.1 The Bidder(s)/ Contractor(s) commit himself 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.
- 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 will 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 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 from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent Earnest Money Deposit/ Bid Security.
- 4.2 If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to section 3, the Principal shall be entitled to

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demand and recover from the Contractor liquidated damages equivalent to 5% of the contract value or the amount equivalent to Security Deposit/ Performance Bank Guarantee, whichever is higher.

Section 5 - Previous Transgression

- 5.1 The Bidder declares that no previous transgressions occurred in the last 3 years with any other company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
- 5.2 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.

Section 6 - Equal treatment of all Bidders/ Contractors / Sub-contractors

- 6.1 The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors. In case of sub-contracting, the Principal contractor shall be responsible for the adoption of IP by his sub-contractors and shall continue to remain responsible for any default by his sub-contractors.
- 6.2 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 Bidders/ Contractors /Subcontractors

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 Vigilance Office.

Section 8 - Independent External Monitor(s)

- 8.1 The Principal appoints competent and credible Independent External Monitor for this Pact. 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.
- 8.2 The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, BHEL.
- 8.3 The Bidder(s)/ Contractor(s) accepts that the Monitor has the right to access without restriction to all contract documentation of the Principal including that provided by the Bidder(s)/ Contractor(s). The Bidder(s)/ Contractor(s) will grant the monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his contract documentation. The same is applicable to Sub-contractor(s). The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s) / Sub-contractor(s) with confidentiality in line with Non- disclosure agreement.
- 8.4 The Principal will provide to the Monitor 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 Monitor the option to participate in such meetings.

- 8.5 The role of IEMs is advisory, would not be legally binding and it is restricted to resolving issues raised by an intending bidder regarding any aspect of the tender which allegedly restricts competition or bias towards some bidders. At the same time, it must be understood that IEMs are not consultants to the Management. Their role is independent in nature and the advice once tendered would not be subject to review at the request of the organization.
- 8.6 For ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process, the matter should be examined by the full panel of IEMs jointly as far as possible, who would look into the records, conduct an investigation, and submit their joint recommendations to the Management.
- 8.7 The IEMs would examine all complaints received by them and give their recommendations/ views to CMD, BHEL, at the earliest. They may also send their report directly to the CVO and the Commission, in case of suspicion of serious irregularities requiring legal/ administrative action. IEMs will tender their advice on the complaints within 10 days as far as possible.
- 8.8 The CMD, BHEL shall decide the compensation to be paid to the Monitor and its terms and conditions.
- 8.9 IEM 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 organization should be looked into by the CVO of the concerned organisation.
- 8.10 If the Monitor has 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 Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
- 8.11 The number of Independent External Monitor(s) shall be decided by the CMD, BHEL.
- 8.12 The word 'Monitor' would include both singular and plural.

Section 9 - Pact Duration

- 9.1 This Pact shall be operative from the date IP is signed by both the parties till the final completion of contract for successful bidder and for all other bidders 6 months after the contract has been awarded. Issues like warranty / guarantee etc. should be outside the purview of IEMs.
- 9.2 If any claim is made/ lodged during currency of IP, 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

- 10.1 This agreement is subject to Indian Laws and jurisdiction shall be registered office of the Principal, i.e. New Delhi.

- 10.2 Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- 10.3 If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- 10.4 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.
- 10.5 Only those bidders / contractors who have entered into this agreement with the Principal would be competent to participate in the bidding. In other words, entering into this agreement would be a preliminary qualification.

For & On behalf of the Principal

अमित कुमार / AMIT KUMAR
वी. अभियंता / Sr. Engineer
(Office Seal) सा.प्र. म.र.पी.आर. / MM-SCR
बी.एच.ई.एल., भोपाल / BHEL, Bhopal

Place

BHEL, Bhopal

Date

09/06/20

Witness:

(Name & Address) MANAS SAHA
DY. ENGR, BHEL, BHOPAL

For & On behalf of the Bidder/

Contractor

(Office Seal)

Witness:

(Name & Address)

Annexure-I: Commercial Terms & Conditions against Enquiry E4503012**Name of Supplier:** - **Vendor Code :** -

We wish to enter into Rate Contract Agreement for supply of "**Vacuum Interrupter (9 Items)**". Rate Contract Agreement will be valid for **24 months** for placement of orders from the date of rate contract approval. The total requirement for the period is as given in enquiry. Same need to be supplied against Purchase orders issued to supplier, time to time during contract period.

Instruction for supplier:

Quotation shall be submitted in **TWO PARTS** through **E-Procurement route**. Offers of only techno-commercially qualified vendors will be considered for price bid opening/ ~~Reverse Auction~~.

- 1) BHEL prefer the information to be furnished exactly in this format which will help to minimize repetitive clarifications / confirmations.
- 2) Ensure to sign and affix seal on each page of this annexure and submit along with your Techno-commercial bid.
- 3) Acceptance of all the following terms & conditions is required in your offer.

S.No	BHEL's Parameter	Bidder's comments
1.	Monthly Capacity: Monthly requirement of BHEL can go up to 450 Nos. for item# 1, 2 & 3 (individually), 750 Nos. for item# 4 & 6 (individually), 180 Nos. for item# 5, 70 Nos. for item# 7 and 100 Nos. for item# 8 & 9 (individually). Kindly confirm, else indicate your monthly capacity.	
2.	Delivery Schedule: Delivery schedule desired by BHEL is maximum 6 Weeks for LOT-I , from the date of PO. Kindly confirm, Else indicate your lead time to deliver quantity equal to your monthly capacity (up to CRX-BHEL Bhopal.	
3.	Validity of offer: Offer shall be valid for a period of 180 days from the date of Techno- commercial (Part-I) bid opening date.	
4.	Quantity Split: a) RC will be finalized with two suppliers in 65:35 ratios (if minimum 3 techno-commercially suitable offers are received). b) L1 HESG equivalent rate will be counter offered to L2/L3/L4 bidder up to H1, one by one and in order from lowest to highest bidder, for balance 35% quantity, and RC will be finalized if acceptance is received. c) If none of L2/L3/L4 up to H1 bidder accepts our counter offer rate, then 100% quantity will be contracted with L1 bidder. d) BHEL may consider awarding part of quantities to L2 bidder at L1 counter offered rates, if the monthly capacity offered by L1 is less than 65% of our monthly requirement.	
4.	If RC is finalized with two/three suppliers and any of the supplier fails to supply the material by the stipulated "Material entry allow date", BHEL reserves the right to divert the whole pending RC quantity to other RC vendor. Strict action, as per extant guidelines of BHEL in vogue (such as Suspension of Business Dealings and Risk Purchase, available on B2B site) which ensures permanent de-listing of the defaulting supplier from the relevant PMD, may also be initiated.	
5.	Prices: The price is to be quoted on FIRM basis in line with Enquiry.	
6.	Whether covered under MSMED If yes, Copy of UDYOG AADHAR, is required to be submitted. (Pls upload in E-Proc Sys.)	
7.	The Guarantee / Warranty of the item will be as per clause 18 of GTC BP-200102, if not mentioned in Technical Annexure, otherwise guarantee period as mentioned in Annexure shall be applicable.	
8.	Penalty Clause will be applicable as per clause 9 of GTC BP-200102. "An unconditional penalty of half present of the price of the goods in arrears per week subject to a maximum of 10% of the order value"	
9.	In addition to above, BHEL Bhopal's General terms & conditions BP-200102 forms a part of tender. A copy of same can be downloaded / seen from https://www.bhelbpl.co.in . Please confirm your compliance.	
10.	REVERSE AUCTION: BHEL shall be resorting to Reverse Auction (RA) (Guidelines as available on www.bhel.com) for this tender. RA shall be conducted among all the techno-commercially qualified bidders. Price bids of all techno-commercially qualified bidders shall be opened and same shall be considered as initial bids of bidders in RA. In case any bidder(s) do(es) not participate in online Reverse Auction, their sealed envelope price bid along with applicable loading, if any, shall be considered for ranking.	Not applicable

11.	Basis for deciding lowest (L1) offer: - All the offers shall be compared for landed cost to BHEL stores on package-wise basis in-line with clause 19 of General Terms & Conditions to the enquiry: BP-200102. - In the course of evaluation, if more than one bidder happens to occupy L-1 status, effective L-1 will be decided by soliciting discounts from the respective L-1 bidders. - In case more than one bidder happens to occupy the L-1 status even after soliciting discounts, the L-1 bidder shall be decided by a toss/draw of lots in the presence of the respective L-1 bidder(s) or their representatives(s). - Ranking will be done accordingly. BHEL's decision in such situations shall be final and binding.	
12.	Integrity pact: Supplier has to mandatorily enter in to "Integrity Pact (IP)" with BHEL for participating in bidding process. Blank form for entering into IP is being issued with the enquiry and same shall be returned by the bidder along with techno-commercial bid, duly signed by authorised signatory who signs the bid. The IP duly signed by authorised official of the bidder/vendor and authorised official of BHEL will form part of the contract.	
13.	Verification of local content: In compliance to the PPPMII, local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant(in respect of suppliers other than companies) giving the percentage of local content.	(pls submit Certificate)
14.	Offers of vendors not complying to above conditions will be rejected however BHEL reserves the right to modify some of these NIT conditions without assigning any reason. Such modification if any will be conveyed to all parties before price bid opening.	
15.	Above conditions supersede any T&C quoted by vendor against subject enquiry	

Please submit offer in line with above terms & conditions otherwise your offer may be rejected. It is desirable to upload all Documents in abc e-proc system to avoid delay in further processing.

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2. Pre-Qualification Requirements (PQR): Vendor to confirm and submit supportive document.

SNO	Description of requirement	Bidder to furnish/ specify/ Confirm	Offered Parameters	Deviations	Remarks
i	Prospective supplier should be OEM and have experience of minimum 5 years in manufacturing and supply of vacuum interrupters for MV switchgear applications.	Bidder to provide Reference list of supply of Vacuum Interrupters during last 5 years. Bidders to provide details of manufacturing facilities.			
ii	Turnover of not less than INR 20 Crores for each of the year – 2016-17, 2017 – 18, 2018–19. 19-20	Bidder to provide Audited financial reports as documentary evidence or Chartered Accountant's certificate for years of Turn Over			
iii	a) Vendor should have supplied a minimum of 15000 Vacuum Interrupter in last 3 years (up to 31.03.2020). ✓	Bidder to provide unpriced PO copies in support.			
iv	Maximum limiting dimensions	Bidder to confirm meeting dimensions of each type of offered Vacuum Interrupter as per Table-2. (Vendor to submit GA Drawing).			
v	Confirmation to be given by bidder for conducting & for bearing 100% Type test expenses for following Type Tests (as per IEC) with BHEL breakers. a. Short-time withstand current and peak withstand current tests. b. Short-circuit current making and breaking tests. Type Test will be conducted at CPRI India (for sl no 1 to 8 of Table 1) Type Test will be conducted at	Vacuum Interrupters already type tested with BHEL Breakers, and have valid type test reports available with BHEL or Supplier, need not to be tested. The details of available Type Test reports will be shared with vendors for the ratings. Bidder to confirm to conduct the test on their letter head, if not already done as above.			

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