

**Integrity Pact Format applicable for packages having estimated value (excluding taxes and duties) of Rs.10 Crore and above but less than Rs.100 Crore**

**INTEGRITY PACT**

between

**NTPC Ltd.**, a Govt. of India Enterprise (hereinafter referred to as “The Employer”)

and

..... (hereinafter referred to as “The Bidder/Contractor ”)

and

..... (hereinafter referred to as “JV Partner/ Consortium Members”  
(if applicable))

**Preamble**

The Employer invites the bids from all eligible bidders and intends to enter into contract for ..... with the successful bidder(s), as per organizational systems and procedures. The Employer values full compliance with all relevant laws and regulations, and the principles of economical use of resources, and of fairness and transparency in its relations with its Bidder(s) and/or Contractor(s).

**Section 1 Commitments of the Employer**

1. The Employer Commits itself to take all measures necessary to prevent corruption and to observe the following principles in this regard:-
  - a) No employee of the Employer, either in person or through family members including relatives, will in connection with the bidding for or the execution of a contract, demand or accept a promise for or accept for him/herself or for a third person, any material or immaterial benefit to which he/she is not legally entitled to.
  - b) The Employer shall, during the bidding process treat all Bidders with equity and reason. The Employer will, in particular, before and during the bidding process, provide to all Bidders the same information and will not provide to any Bidder confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the bidding process or the contract execution.
  - c) The Employer will exclude from the process all known prejudiced persons.
2. If the Employer 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, the Employer will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

Contd../..

## **Section 2 Commitments and Undertakings by the Bidder/Contractor**

- 1 The Bidder/Contractor commits and undertakes to take all measures necessary to prevent malpractices & corruption. He commits himself to observe the following principles during his participation in the bidding process and during the execution of the contract:
  - a) The Bidder/ Contractor undertakes not to, directly or through any other person or firm offer, promise or give or influence to any employee of the Employer associated with the bidding process or the execution of the contract or to any third person on their behalf any material or immaterial benefit which he/she is not legally entitled, in order to obtain in exchange any advantage of any kind whatsoever during the bidding process or during the execution of the contract.
  - b) The Bidder/ Contractor undertake not to enter into any undisclosed agreement or understanding, whether formal or informal with other Bidders. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other action to restrict competitiveness or to introduce cartelization in the bidding process.
  - c) The Bidder/Contractor undertakes not to commit any offence under the relevant Anti-corruption Laws of India; further the Bidder/Contractor will not use improperly, any information or document provided by the Employer as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically for purposes of competition or personal gain and will not pass the information so acquired on to others.
  - d) The Bidder/ Contractor will, when presenting his bid undertakes, to disclose any and all payments made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- 2 The Bidder/ Contractor will not instigate and allure third persons/parties to commit offences outlined above or be an accessory to such offences.

## **Section 3 Disqualification from Bidding Process and Exclusion from Future Contracts**

1. If the Bidder(s)/ Contractor(s), before award or during execution has committed a transgression through a violation of any provisions of Section 2 or in any other form so as to put his reliability or credibility as Bidder into question, the Employer shall be entitled to disqualify the Bidder(s)/ Contractor(s) from the bidding process or to terminate the contract, if signed on that ground.
2. If the Bidder/ Contractor has committed a transgression through a violation of Section 2 such as to put his reliability or credibility into question, the Employer shall

be entitled to exclude including blacklist and put on holiday the Bidder/ Contractor for any future tenders/contract award process. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the Employer taking into consideration the full facts and circumstances of each case particularly taking into account the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder and the amount of the damage. The exclusion will be imposed for a minimum of 3 years.

3. A transgression is considered to have occurred if the Employer after due consideration of the available evidence concludes that no reasonable doubt is possible
4. The Bidder with its free consent and without any influence agrees and undertakes to respect and uphold the Employer's absolute rights to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.
5. Subject to full satisfaction of the Employer, the exclusion of Bidder/ Contractor could be revoked by the Employer if the Bidder/ Contractor can prove that he has restored/ recouped the damage caused by him and has installed a suitable corruption prevention system in his organization.

#### **Section 4 Compensation for Damages including Forfeiture of Earnest Money Deposit/ Security Deposit/ Performance & Advance Bank Guarantees**

1. If the Employer has disqualified the Bidder/ Contractor from the bidding process or has terminated the contract pursuant to Section 3, the Employer shall forfeit the Earnest Money Deposit/Bid Security, encash Contract Performance Bank Guarantees in addition to excluding the bidder from the future award process and terminating the contract.
2. In addition to 1 above, the Employer shall be entitled to take recourse to the relevant provisions of the contract related to Termination of Contract due to Contractor's Default.

#### **Section 5 Previous Transgressions**

- 1 The Bidder swears on oath that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country conforming to TI approach or including with any Public Sector Enterprise/ Undertaking in India or any Government Department in India that could justify bidder's exclusion from the tender process.
- 2 If the Bidder makes incorrect statement on this subject, Bidder can be disqualified from the bidding process or the contract, if already awarded, can be terminated on this ground.

**Section 6 Company Code of Conduct**

Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behaviour) and a compliance program for the implementation of the code of conduct throughout the company.

**Section 7 Pact Duration**

This Pact comes into force from the date of signing by all the parties. It shall expire for the Contractor 12 months after the last payment under the respective contract, and for all other unsuccessful bidders 6 months after the contract has been awarded.

**Section 8 Miscellaneous Provisions**

- 1 This Pact is subject to Indian Law. The place of performance and jurisdiction shall be New Delhi.
- 2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
3. 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.
4. If the Contractor is a JV partnership/Consortium, this agreement must be signed by all the partners of JV/Consortium Partners as the case may be.

The Parties hereby sign this Integrity Pact at .....on this ..... day of.....200....

<b>Employer</b>	<b>Bidder/ Contractor</b>	<b>Joint Venture Partner(s)/ Consortium member(s) (As Applicable)</b>
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Witness	Witness	Witness
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