

To be executed on plain paper and submitted along with Technical Bid/Tender documents for tenders having a value of 10 crores or more.
To be signed by the bidder and same signatory competent/authorized to sign the relevant contract on behalf of IOCL

(Indian Oil Corporation Ltd, Marketing Division)

(Tender No: _____)

INTEGRITY AGREEMENT

This Integrity Agreement is made at _____ on this _____ day of _____ 20____

BETWEEN

Indian Oil Corporation Limited, a company duly incorporated and validly existing under the provisions of Companies Act 1958 and having its registered office at Indian Oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai 400 051 (hereinafter referred as "Principal/Owner", which expression shall unless repugnant to the meaning or context hereof include its successors and permitted assigns).

And

_____ (name and address of the individual/firm/Company/consortium members through _____ (mention details of duly authorized signatory) hereinafter referred to as the "**Bidder/Contractor**" and which expression shall unless repugnant to the meaning or context hereof include its successors and permitted assigns.

PREAMBLE

WHEREAS the Principal/Owner has floated a tender (Tender No: _____) (hereinafter referred to as "**Tender**") and intends to award, under laid down, organizational procedures, contract's/purchase order/work order for _____ (name of the contract/order) or items under the tender hereinafter referred to as the "**Contract**".

AND WHEREAS the Principal/Owner values full compliance with all relevant laws of the land rules, regulations, economic use of resources and of fairness/transparency in its relation with Bidder(s) and contractor(s)



AND WHEREAS, in order to achieve these goals, the Principal/Owner has appointed Independent External Monitors (IEM), to monitor the tender process and the execution of the contract for compliance with the principles as laid down in this Agreement.

AND WHEREAS to meet the purpose aforesaid both the parties have agreed to enter into this Integrity Agreement (hereinafter referred to as "**Integrity Pact**" or "Pact"), the terms and conditions of which shall also be read as integral part and parcel of the tender documents and contract between the parties.

NOW, THEREFORE, inconsideration of mutual covenants contained in this pact, the parties hereby agree as follows and this Pact witnesseth as under:

Article 1: Commitment of the Principal/Owner

- 1) The Principal/Owner commits itself to take all measures necessary to prevent corruption and to observe the following principles:
 - a) No employee of the Principal/Owner, personally or through any of his/her family members, will in connection with the tender, or the execution of the 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.
 - b) The Principal/Owner will, during the Tender process, treat all Bidder(s) with equity and reason. The Principal/Owner 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.
 - c) The Principal/Owner shall endeavor to exclude from the Tender process any person, whose conduct in the past has been of biased nature.
- 2) If the Principal/Owner obtains information on the conduct of any of its employees which is a criminal offence under the Indian Penal Code (IPC)/Prevention of Corruption Act 1988 (PC Act) or is in violation of the Principal herein mentioned or if there be a substantive suspicion in this regard, the Principal/Owner will inform the Chief Vigilance Officer and in addition can also initiate disciplinary actions as per internal laid down policies and procedures

Article 2- Commitments of the Bidder(s) / Contractor(s)

- 1) The Bidder(s)/Contractor(s) commits 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.



- a) The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal/Owner's employees involved in the Tender process or 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.
 - b) 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 cartelize in the bidding process.
 - c) 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 the purpose of competitive or personal gain), or pass on to the others, any information or document provided by the Principal/Owner as part of the business relationship, regarding plans technical proposals and business details, including information contained or transmitted electronically.
 - d) The Bidder(s)/Contractor(s) of foreign origin shall disclose the names and addresses of agents/representatives in India, if any. Similarly Bidder(s)/ Contractor(s) of Indian nationality shall disclose the names and addresses of foreign agents/representatives, if any Either the Indian agent on behalf of the foreign principal or the foreign principal directly could bid in a tender but not both. Further in cases where as agent participates in a tender on behalf of one manufacturer along with the first manufacturer in a subsequent/parallel tender for the same item. Copy of CVC guidelines dated 21/04/2004 is annexed hereto as **Annexure-A**
 - e) 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 intermediate in connection with the award of the contract.
- 2) The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or to be an accessory to such offences.

Article 3. Disqualification from Tender process and execution from future contracts.

- 1) If the Bidder(s)/Contractor(s), either before award or during execution of Contract has committed a transgression through a violation of Article 2 above or in any other form, such as to put his reliability or credibility in question, the Principal/Owner is entitled to disqualify the Bidder(s) / Contractor(s) from the Tender process or



terminate the Contract, if already executed or exclude the Bidder(s)/Contractor(s) from future contract award process. The imposition and duration of the exclusion will be determined by the severity of transgression and determined by the Principal/Owner. Such exclusion may be for a period of 1 year to 3 years as per the procedure prescribed in the guidelines for holiday listing of the Principal/Owner.

- 2) The Bidder/Contractor accepts and undertakes to respect and uphold the Principal/Owner's absolute right to resort to and impose such exclusion.
- 3) Apart from the above, the Principal/Owner may take action for banning of business dealings/holiday listing of the Bidder/Contractor as deemed fit by the Principal/Owner.

Article 4. Consequences of Breach

Without prejudice to any rights that may be available to the Principal/Owner under law or the Contract or its established policies and laid down procedures, the Principal/Owner shall have the following rights in case of breach of this integrity pact by the Bidder(s)/Contractor(s):

- 1) **Forfeiture of EMD/Security Deposit.** If the Principal/Owner has disqualified the Bidder(s)/ from the tender process prior to the award of the contract or terminated the contract or has accrued the right to terminate the contract according to Article 3, the Principal/Owner apart from exercising any legal rights that may have accrued to the Principal/Owner, may in its considered opinion forfeit the Earnest Money Deposit /Bid Security amount of the Bidder/Contractor
- 2) **Criminal Liability.** If the Principal/Owner obtains knowledge of conduct of a Bidder or Contractor, or of an employee or a representative or an associate of a Bidder or Contractor which constitutes corruption within the meaning of PC Act or if the Principal/Owner has substantive suspicion in this regard, the Principal/Owner will inform the same to the Chief Vigilance Officer.

Article 5. Previous Transgression.

- 1) The Bidder declares that no previous transgression occurred in the last 3 years with any other company in any country confirming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the Tender Process.
- 2) IF the Bidder/Contractor makes incorrect statement on this subject, he can be disqualified from the Tender process or action can be taken for banning of business



dealings/ Holiday listing of the Bidder/Contractor as deemed fit by the Principal/Owner.

- 3) If the Bidder/Contractor can prove that he has resorted/recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal/Owner may at its own discretion as per laid down organizational procedures, revoke the exclusion prematurely.

Article 6. Equal Treatment of all Bidders/Contractors/Sub-contractors.

- 1) The Bidder(s)/Contractor(s) undertake(s) to demand from all subcontractors a commitment in conformity with this integrity pact. The Bidder/Contractor shall be responsible for any violation(s) of the Principles laid down in this pact by any of its Sub-Contractors/Sub-Vendors.
- 2) The Principal/Owner will enter into pacts on identical terms as this one with all Bidders and Contractors.
- 3) The Principal/Owner will disqualify Bidders, who do not submit the duly signed pact between the Principal/Owner and the bidder, along with the Tender or violate its provisions at any stage of the Tender process, from the Tender process.

Article 7. Independent External Monitor(IEM)

- 1) The Principal/Owner has appointed competent and credible independent External Monitor(s) (IEM) 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 pact.
- 2) The IEM is not subject to instructions by the representatives of the parties and performs his functions naturally and independently. He reports to the Chairman, Indian Oil Corporation Limited.
- 3) The Bidders(s)/contractor(s) accepts that the IEM has the right to access without restriction, to all Project documentation of the Principal/Owner including that provided by the Contractor. The contractor will also grant the IEM, upon his request and demonstration of a valid interest, unrestricted and un-conditional access to his or any of his sub-contractor's project documentation. The IEM is under obligation to treat the information and documents of the Bidder(s)/Contractor(s)/subcontractors(s) with confidentiality.
- 4) In case the tenders having estimated value of Rs.150 crores or more, the Principal/Owner will provide to the IEM sufficient information about all the meetings



among the parties related to the project and shall keep the IEM apprised of all the developments in the Tender Process.

- 5) As soon as the IEM notices, or believes to notice, a violation of this pact, he will so inform the Management of the Principal/Owner and request the Management to discontinue or take corrective action, or to take other relevant action. The IEM can in this regard submit non-binding recommendations. Beyond this, the IEM has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- 6) The IEM will submit a written report to the Chairman, Indian Oil Corporation Limited within 6-8 weeks from the date of reference or intimation to him by the Principal/Owner and, should the occasion arise, submit proposals for correcting problematic situations.
- 7) The IEM has reported to the Chairman, Indian Oil Corporation Ltd. A substantiated suspicion of an offence under the relevant IPC/PC Act and the Chairman, IOCL has not, within reasonable time taken visible action to proceed against such offence or reported it to Chief Vigilance Office, the IEM may also transmit the information directly to the Central vigilance commissioner.
- 8) The word "IEM" would include both singular and plural.

Article 8 – Duration of the Pact.

This pact begins when both the parties have legally signed it. It expires for the Contractor/Vendor 12 months after the completion of Work under the contract or till the continuation of defect liability period, whichever is more and for all other Bidders, till the contract has been awarded.

If any claim is made/lodged during the time, the same shall be binding & continue to be valid despite the lapse of this Pact as specified above, unless it is discharged/determined by the Chairman, IOCL.

Article 9 – Other Provisions.

- 1) The Pact is subjected to Indian law, place of performance and jurisdiction is the Head Office/Head quarters of the Division of the Principal/Owner, who has floated the Tender.
- 2) Changes and supplements need to be made in writing. Side agreements have not been made.

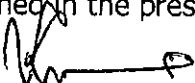


- 3) If the contractor is a partnership or a understanding, this pact must be signed by all the partners and RO dealers having reached an understanding. In case of a company, Pact must be signed by a representative duly authorized by board resolution.
- 4) Should one or several provisions of this Pact 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.
- 5) Any dispute or difference arising between the parties with regard to the terms of this Agreement/Pact, any action taken by the Owner/Principal in accordance with this Agreement/Pact or interpretation thereof shall not be subjected to arbitration.

Article 10 – Legal and Prior Rights.

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 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 any of the provisions covered under this Pact.

IN WITNESS WHEREOF the parties have signed and executed this Pact at the place and date first above mentioned in the presence of following witnesses:

 _____ (for and on behalf of Principal/Owner)	} VIJAY KUMAR VERMA C.G.M (ops) IOCL HD Signature, Name & Address
_____ (for and on behalf of Bidder/Contractor)	

WITNESS

1) _____ _____ _____	} Signature, Name & Address
2) _____ _____ _____	

ANNEXURE

(To be executed on plain paper and applicable for all tenders of value above Rs. 1-crore)

INTEGRITY PACT

Between

Bharat Petroleum Corporation Limited (BPCL) hereinafter referred to as "The Principal"

And

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

Preamble

The Principal intends to award, under laid down organization procedures, contract/s for SUPPLY OF AROUND 99 CRORE LITRES OF DENATURED ANHYDROUS ETHANOL AT OIL MARKETING COMPANIES (OMC) LOCATIONS FOR THE PERIOD FROM 01.07.2020 TO 30.11.2020(Third Cycle), SYSTEM ID 73578 The Principal values full compliance with all relevant laws and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder(s), Contractor(s) and Supplier(s).

In order to achieve these goals, the Principal cooperates with the renowned international Non-Governmental Organization "Transparency International" (TI). Following TI's national and international experience, the Principal will appoint an Independent External Monitor 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. The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:
 - (a) No employee of the Principal, personally or through family members, will in connection with the tender, or the execution of the contract, demand, take a promise for or accept, for himself/ herself or third person, any material or immaterial benefit which he/ she is not legally entitled to.
 - (b) The Principal will, during the tender process, treat all Bidders with equity and reason. The Principal will, in particular, before and during the tender process, provide to all Bidders the same information and will not provide to any Bidder confidential/ additional information through which the Bidder could obtain an advantage in relation to the tender process or the contract execution.
 - (c) 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 Anti-Corruption Laws of India, 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/ Contractor/ Supplier:

1. The Bidder/ Contractor/ Supplier commit itself 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.



- (a) The Bidder/ Contractor/ Supplier 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 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.
 - (b) The Bidder/ Contractor/ Supplier will not enter with other Bidders 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.
 - (c) The Bidder/ Contractor/ Supplier will not commit any offence under the relevant Anti-Corruption Laws of India; further the Bidder/ Contractor/ Supplier 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.
 - (d) The Bidder/ Contractor/ Supplier 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.
 - (e) The Bidder/Supplier/Contractor shall make sure that the terms of this integrity Pact are also adopted by its sub-contractors, sub-sub-contractors etc, if any and submit such adoption confirmation proof to the Principal.
2. The Bidder/ Contractor/ Supplier will not instigate third persons 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, before contract award, has committed a transgression through a violation of Section 2 or in any other form such as to put his reliability or credibility as Bidder into question, the Principal is entitled to disqualify the Bidder from the tender process or to terminate the contract, if already signed, for such reason.

- 1. If the Bidder/ Contractor/ Supplier have committed a transgression through a violation of Section 2 such as to put his reliability or credibility into question, the Principal is also entitled to exclude the Bidder/ Contractor/ Supplier from future contract award 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 and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.
- 2. A transgression is considered to have occurred if the Principal after due consideration of the available evidences, concludes that no reasonable doubt is possible.
- 3. The Bidder accepts and undertakes to respect and uphold the Principal's absolute right 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.



4. If the Bidder/ Contractor/ Supplier can prove that he has restored/ recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion prematurely.

Section 4 - Compensation for Damages:

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 from the Bidder liquidated damages equivalent to Earnest Money Deposit/ Bid Security.
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 demand and recover from the Contractor/ Supplier liquidated damages equivalent to Security Deposit/ Performance Bank Guarantee.
3. The Bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder/ Contractor/Supplier can prove and establish that the exclusion of the Bidder 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/ Contractor/ Supplier shall compensate the Principal only to the extent of the damage in the amount proved.

Section 5 - Previous Transgression:

1. The Bidder declares that no previous transgression occurred in the last 3 years with any other Company in any country conforming to the TI approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
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/ Suppliers/ Subcontractors:

1. The Bidder/ Contractor/ Supplier undertake to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.
2. The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors/ Suppliers and Subcontractors.
3. The Principal will disqualify from the tender process all Bidders who do not sign this Pact or violate its provisions.

Section-7 Punitive Action against violating Bidders/ Contractors/ Suppliers/ Subcontractors:

If the Principal obtains knowledge of conduct of a Bidder, Contractor, Supplier or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor, Supplier 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 Monitors:

1. The CVC has appointed competent and credible Independent External Monitors 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.

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 Chairperson of the Board of the Principal.
3. The Bidder/ Contractor/ Supplier accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Bidder/ Contractor/ Supplier. The Bidder/ Contractor/ Supplier will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to this project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder/ Contractor/ Supplier/ Subcontractor with confidentiality.
4. The Principal 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 the Principal and the Bidder/Contractor/Supplier. The parties offer to the Monitor the option to participate in such meetings.
5. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal 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 recommendation. 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. However, the Independent External Monitor shall give an opportunity to the Bidder/Contractor/Supplier to present its case before making its recommendations to the Principal.
6. The Monitor will submit a written report to the Chairperson of the Board of the Principal within 8 to 10 weeks from the date of reference or intimation to him by the 'Principal' and, should the occasion arise, submit proposals for correcting problematic situations.
7. If the Monitor has reported to the Chairperson of the Board a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairperson 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. The word 'Monitor' would include both singular and plural.

Section-9 Pact Duration:

This Pact begins when both parties have legally signed it. It expires for the Contractor/ Supplier 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 Chairperson of the Principal.



Section-10 Other Provisions:

1. This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. Mumbai. The Arbitration 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 need to be made in writing. Side agreements have not been made.
3. If the Bidder/Contractor/Supplier is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
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.
5. Any Bidder/Contractor/Supplier entering into Integrity Pact, aggrieved by any decision/action of the Principal, shall approach the IEMs and await their decision before pursuing any other remedy available to him in law.



.....
For the Principal

.....
for the Bidder/ Contractor/ Supplier

Place

Witness-1:
(Signature/ Name/ Address)

Date

Witness-2:
(Signature/ Name/ Address)

The Independent External Monitor (IEM) should be contacted on their mobile /email, only if there are any complaints related to the tender. Details of IEM (appointed by CVC) are mentioned below-

Shri. Vikram Srivastava	Shri. Virendra Bahadur Singh	Shri.Anupam Kulshreshtha
ADDRESS	ADDRESS	ADDRESS
E-202, Second Floor , Greater Kailash Part 2, New Delhi – 110048	H.No. B-5/64, Vineet Khand, Gomati Nagar, Lucknow – 226010	B-3/3, ‘Yarrows Apartments’, Plot C-58/5, Sector 62, Noida, UP -201309
vikramsrivastava1973@gmail.com	vbsinghips@gmail.com	Anupam8@gmail.com
Mob. 09810642323	Mob 8853760730	Mob. No. 9968281160

ANNEXURE – 19**19. INTEGRITY PACT****PRE-CONTRACT INTEGRITY PACT****General**

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on _ day of the month of __ 20, between, on one hand, Hindustan Petroleum Corporation Limited acting through Shri (Designation of the officer,), Department (hereinafter called the "BUYER", which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part and M/s. _____ represented by Shri _____, _____, (hereinafter called the "BIDDER/Seller" which expression shall mean and include unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the BUYER proposes to procure _____ (Name what is being procured) and the BIDDER/Seller is willing to offer/has offered the (State what is being offered).

WHEREAS the BIDDER/SELLER is a private company/ public company/ Government undertaking / partnership / registered export agency, constituted in accordance with the relevant law in the matter and the BUYER is a Ministry/Department of the Government of Indian/PSU performing its functions on behalf of the President of India.

NOW, THEREFORE,

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 to be entered into with a view to:-


Enabling the BUYER to obtain the desired said stores/equipment item at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and

Enabling BIDDER/SELLER to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER will commit to prevent corruption, in any form, by their officials by following transparent procedures.

The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

Commitments of the Buyer

- 1.1 The Buyer undertakes that no official of the BUYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the Contract.
- 1.2 The Buyer will, during the pre-contract stage, treat all Bidders alike, and will provide to all Bidders the same information and will not provide any such information to any particular



BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.

- 1.3 All the officials of the Buyer will report to SBU Head or concerned Functional Director of HPCL for any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
2. In case of any such preceding misconduct on the part of such official(s) is reported by the BIDDER/SELLER to the BUYER with full and verifiable facts and the same is *prima facie* found to be correct by the Buyer, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the Buyer the proceedings under the contract would not be stalled.
- 2.1 The BUYER will exclude from the process all known prejudiced persons.
- 2.2 If the BUYER obtains information on the conduct of any of its employees which is a criminal offense under the relevant Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, the BUYER will inform its Vigilance Office and in addition can initiate disciplinary actions.

Commitments of Bidders

3. The BIDDER/SELLER commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commits himself to the following:-
 - 3.1 The BIDDER/SELLER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Buyer, connected directly or indirectly with the bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the Contract.
 - 3.2 The BIDDER/SELLER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Buyer or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the Contract or any other Contract with the BUYER for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the BUYER.
 - 3.3 BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principals or associates.
 - 3.4 BIDDERS shall disclose the payments to be made by them to agents/brokers or any other intermediary, in connection with this bid/contract.
 - 3.5 The BIDDER further confirms and declares to the BUYER that the BIDDER is the original manufacturer/integrator and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to

recommend to the BUYER or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.

- 3.6 The Bidder, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the Buyer or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- 3.7 The BIDDER/SELLER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
- 3.8 The BIDDER/SELLER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
- 3.9 The BIDDER/SELLER shall not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the BUYER as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER/SELLER also undertakes to exercise due and adequate care lest any such information is divulged.
- 3.10 The BIDDER/SELLER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
- 3.11 The BIDDER/SELLER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.
- 3.12 The BIDDER/SELLER or any employee of the BIDDER/SELLER or any person acting on behalf of the BIDDER/SELLER, either directly or indirectly, is a relative of any of the officers of the BUYER, or alternatively, if any relative of an officer of the BUYER has financial interest/stake in the BIDDER/SELLER's firm, the same shall be disclosed by the BIDDER/SELLER at the time of filing of tender.

The term 'relative' for this purpose would be as defined in Section 6 of the Companies Act 1956.

- 3.13 The BIDDER/SELLER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER.

4. **Previous Transgression**

- 4.1 The BIDDER/SELLER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India, that could justify BIDDER/SELLERs exclusion from the tender process.



- 4.2 The BIDDER/SELLER agrees that if it makes incorrect statement on this subject, BIDDER/SELLER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

Earnest Money

- 5.1. While submitting commercial bid, the BIDDER/SELLER shall deposit an amount (to be specified in the RFP (Request for Proposal) as Earnest Money, with the BUYER through any of the following instruments (as specified In RFP):-

- (i) Bank Draft or a Pay Order
- (ii) A confirmed guarantee by an Indian Nationalized Bank, promising payment of the guaranteed sum to the BUYER, on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the BUYER shall be treated as conclusive proof for payment.
- (iii) Any other mode or through any other instrument (to be specified in RFP).

® **(iv) Through e-payment**

- 5.2. The Security Deposit & Retention Money shall be valid & retained by the buyer for such period as specified in the RFP/GTC.

- 5.3 In the case of successful BIDDER/SELLER a clause would also be incorporated in the Article pertaining to Performance Bond in the Purchase Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

- 5.4 No interest shall be payable by the BUYER to the BIDDER/SELLER on Earnest Money/Security Deposit for the period of its currency.

6. **Sanctions for Violation**

- 6.1 Any breach of the aforesaid provisions by the BIDDER/SELLER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER/SELLER) shall entitle the BUYER to take all or anyone of the following actions, wherever required:-

- (i) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the BIDDER / SELLER. However, the proceedings with the other BIDDER(s) / SELLER(s) would continue.
- (ii) The Earnest Money Deposit (in pre-contract stage) and/or Security Deposit Performance Bond (after the contract is signed) shall stand forfeited either fully or partially, as decided by the BUYER and the BUYER shall not be required to assign any reason therefore.
- (iii) To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER/SELLER.

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- (iv) To recover all sums already paid by the BUYER and in case of an Indian BIDDER/SELLER with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a BIDDER/SELLER from a country other than India with interest thereon at 2% higher than the L1BOR. If any outstanding payment is due to the BIDDER/SELLER from the BUYER in connection with any other contract for any other stores, such outstanding payment could a/so be utilized to recover the aforesaid sum and interest.
 - (v) To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the BIDDER/SELLER, in order to recover the payments, already made by the BUYER, along with interest.
 - (vi) To cancel all or any other Contracts with the BIDDER/SELLER. The BIDDER/SELLER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation/rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due the BIDDER/SELLER.
 - (vii) To debar the BIDDER/SELLER from participating in future bidding processes of the Government of India or the BUYER for a minimum period of five years, which may be further extended at the discretion of the BUYER.
 - (viii) To recover all sums paid in violation of this Pact by BIDDER/SELLER(s) to any middleman or agent or broker with a view to securing the contract.
 - (ix) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the BUYER with the BIDDER/SELLER, the same shall not be opened.
 - (x) Forfeiture of Performance Bond in case a decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
- 6.2 The BUYER will be entitled to take all or any of the actions mentioned at para 6.1 (i) to (x) of this Pact also on the Commission by the BIDDER/SELLER or anyone employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER/SELLER), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.
- 6.3 The decision of the BUYER to the effect that a breach of the provisions of this Integrity Pact has been committed by the BIDDER/SELLER shall be final and conclusive on the BIDDER/SELLER. However, the BIDDER/SELLER can approach the Independent external monitor(s) appointed for the purposes of this Pact.

7. **Fall Clause**

- a) The Bidder undertakes that during the previous one year, the Bidder has not supplied / is not supplying and/or has not agreed to supply similar product systems or subsystems at a price lower than that offered in the present bid in respect of same location as mentioned in the present bid to any other Ministry/Department of the Government of India or PSU.



- b) Further the Bidder unconditionally agrees and confirms that in case it is found at any stage that during the financial year in which bid was submitted by the bidder, the bidder had supplied/agreed to supply similar product systems or subsystems in respect of same location to any other Ministry/Department of the Government of India or a PSU at a price lower than that mentioned in the present bid ("**Lower Price**"), then the Buyer by providing a written notice to the Bidder shall be at liberty to apply Lower Price to the contract and accordingly reduce the contract value. The Bidder further undertakes to refund to the Buyer the difference between payment received under the contract and the Lower Price ("**Price Difference**") within 15 days of receipt of the said written notice.
- c) In case the Price Difference is not received by the Buyer from the Bidder within the period stipulated under clause 7 (b), then the Buyer shall be free to recover the Price difference from any amount due and payable to the Bidder under any contract or transaction undertaken with the Buyer. "

8. Independent Monitors

- 8.1 The BUYER has appointed Independent Monitors (hereinafter referred to as Monitors) for this Pact, in consultation with the Central Vigilance Commission (Names and Addresses of the Monitors to be given).
- 8.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.
- 8.3 The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.
- 8.4 Both the parties accept that the Monitors have the right to access all the documents relating to the project procurement, including minutes of meetings.
- 8.5 As soon as the Monitors notice, or have reason to believe, a violation of this Pact, he will so inform the C&MD of the BUYER Corporation.
- 8.6 The BIDDER(s) accepts that the Monitors have the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER/SELLER. The BIDDER/SELLER 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 shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with the confidentiality.
- 8.7 The BUYER 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 the parties. The parties will offer to the Monitor the option to participate in such meetings.
- 8.8 The Monitors will submit a written report to the C&MD of the BUYER/Secretary in the Department/within 8 to 10 weeks from the date of reference or intimation to him by the BUYER / BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

9. Facilitation of Investigation



In case of any allegation of violation of any provisions of this Pact or payment of commission, the BUYER or its authorised agencies & other Govt. authorities shall be entitled to examine all the documents including the Books of Accounts of the BIDDER/SELLER and the BIDDER/SELLER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

10. Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the BUYER.

11. Other Legal Actions

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.

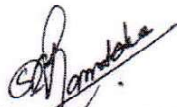
12. Validity

12.1 The validity of this Integrity Pact shall be from date of its signing and extend up to 5 years or the complete execution of the contract to the satisfaction of both the BUYER and the BIDDER/SELLER, including warranty period, whichever is later. In case BIDDER is unsuccessful, this Integrity Pact shall expire after six months from the date of the Signing of the contract.

12.2 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.

13. The Parties hereby sign this Integrity Pact at _____ on _____

BUYER



Name of the Officer **S K RAMTEKE**

Designation **DSM - DROC. CPO**

HPCL

हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
Hindustan Petroleum Corporation Limited

इंजीनियरिंग एवं परियोजनाएं विभाग
Engineering & Projects Department,
ग्रेशम एश्योरेंस हाउस,

1. Gresham Assurance House,
2 पी मॉडिल, सर पी. एम. रोड,
2nd Floor, Sir P. M. Road,
पोस्ट बॉक्स नं. / Post Box No. 198,
फोर्ट, मुंबई - 400 001.
फोर्ट, Fort, मुंबई / Mumbai 400 001.

BIDDER

Name of the Officer

Designation

Name of the Organisation/Dep/Ministry/PSU

Witness

1. _____

2. _____