

STANDARD OPERATING PROCEDURE FOR IMPLEMENTATION OF INTEGRITY PACT

I. INTRODUCTION

CVPP(P) Limited does business with a number of domestic and international Bidders, Contractors and Vendors of Goods, Services and Works. CVPP(P)L is committed to fostering the most ethical and corruption free business environment. CVPP(P)L values its relationships with all counterparts and deals with them in fair and transparent manner.

CVPP(P)L has decided to implement the Integrity Pact Program in various contracts in association with CVC and Transparency International India (TII).

The following tangible and intangible benefits are expected from implementation of Integrity Pact Programme:

- Greater transparency and integrity between buyer and seller.
- Improved sense of ethics in Organization and Bidders.
- Reduction in complaints by Bidders.
- Expeditious Process for Tender and Procurement.
- Reduction in external interventions like political, diplomatic and administrative interference.

The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer, committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the buyer, would be considered competent to participate in the bidding process. In other words, entering into this Pact would be a preliminary qualification. The essential ingredients of the Pact include:

- Promise on the part of the CVPP(P)L not to seek or accept any benefit, which is not legally permissible.
- CVPP(P)L to treat all bidders with equity and reason;
- Promise on the part of bidders not to offer any benefit to the employees of the CVPP(P)L not available legally;
- Bidders not to enter into any undisclosed agreement or understanding with other bidders with respect to prices, specifications, certifications, subsidiary contracts, etc;
- Bidders not to pass any information provided by CVPP(P)L as part of business relationship to others and not to commit any offence under PC/IPC Act;
- Foreign bidders to disclose the name and address of agents and representatives in India and Indian Bidders to disclose their foreign principals or associates;
- Bidders to disclose the payments to be made by them to agents/brokers or any other intermediary;
- Bidders to disclose any transgressions with any other company that may impinge on the anti corruption principle.

Any violation of Integrity Pact would entail disqualification of the bidders and exclusion from future business dealings, as per the existing provisions of GFR, 2017, PC Act 1988 and Guidelines on Banning of Business Dealings etc.

II. IMPLEMENTATION PLAN OF INTEGRITY PACT

1. The Integrity Pact is applicable for procurement of Goods, Services and Works having estimated cost above the threshold limit as under:

Procurement of Goods	Rs 7 Lacs
Procurement of Services	Rs 15 Lacs
Procurement of Works	Rs 100 Lacs

2. Integrity Pact to be entered between CVPP(P)L (First Party) and its Bidders/Contractors (Counter Parties) is enclosed at Annexure-I.
3. The provision for Integrity Pact is to be included in all Requests for Proposal/Tender documents issued in future in respect of the procurements/contracts that meet the criteria decided above. In case where pre-qualification process is resorted to, the conditions referred to in ITB and NIT shall be suitably incorporated at appropriate places in the PQ Document.
4. The Integrity Pact is to be signed between CVPP(P)L and the bidders/contractors on plain papers at the time of submission of Bid as per the approved format. Signed copy of the Integrity Pact is to be included in the bid document while issuing Tender Document/ uploading the Tender Documents on the Portals. The bidders submitting tender document (including downloaded) shall sign the Integrity Pact in original on the signed/scanned Integrity Pact. The duly signed Integrity Pact shall be submitted by the bidder along with the Bid.
5. In case of a joint venture, all the partners of the joint venture should sign the Integrity Pact. In case of sub-contracting, the Principal contractor shall take the responsibility of the adoption of IP by the sub-contractor. It is to be ensured that all sub-contractors also sign the IP.
6. It has to be ensured, through an appropriate provision in the contract, that IP is deemed as part of the contract so that the parties concerned are bound by its provisions.
7. A clause should be included in the IP that a person signing IP shall not approach the Courts while representing the matters to IEMs and he / she will await their decision in the matter.
8. The pact shall cover duration from the date of its signing and extend up to 5 years or the complete execution of the contract to the satisfaction of both the Employer and the bidder/contractor/seller including warranty/ Defects Liability 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 or six months from the date of

opening of price bids, whichever is earlier. After award of work the IEMs shall look into any issue relating to the execution of contract, if specifically raised before them. As an illustrative example, if a contractor during the execution of contract raises an issue of delayed payment before the IEMs, the same shall be examined by the panel of IEMs. However, the IEMs may suggest systematic improvements to the management, if considered necessary, to bring about transparency equity and fairness in the system of procurement.

9. The successful bidder (Contractor) shall submit duly executed Integrity Pact on Non- judicial Stamp Paper of appropriate value prior to signing of Contract Agreement.
10. IP would be implemented through a panel of Independent External Monitors (IEMs), appointed by the organization. The IEM would review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact. In all tenders covered under the Integrity Pact, particulars of all IEMs, including their email IDs, should be mentioned, instead of mentioning details of a single IEM.
11. The detail regarding IEMs is also available on CVPP(P)L official web-site. Corporate Office, project Units are advised to visit Integrity Pact Corner on CVPP(P)L official web-site regularly for any update.
12. The final responsibility for implementation of IP vests with the MD/CEO of the organization.

III. GENERAL TERMS & CONDITIONS

1. The Nodal Department for implementation of Integrity Pact Programme in CVPP(P)L shall be Corporate Contracts & Procurement Division. Similarly, Procurement Deptt. of each Projects/Power Station/Unit shall be Nodal Department for the purpose of implementation of Integrity Pact in their respective location.
2. Meeting of IEMs with Corporate Contracts & Procurement Division. shall be organized quarterly. A summary of procurement/contract awarded, which are covered under the Integrity Pact shall be shared with IEMs during the meeting. For the purpose, details of tender packages covered under the Integrity Pact, shall be furnished to Corporate Contracts & Procurement Division, CO, Jammu (email: procurement@cvppindia.com) on quarterly basis. The details as per the format attached herewith as Appendix-II & Appendix-III for which Integrity Pact is applicable are also required to be furnished at above e-mail regularly latest by 10th day at the end of each quarter.
3. All the deliberations during a meeting should be minuted and the monitor should confirm the recorded minutes of previous meeting in the next meeting.

IV. INDEPENDENT EXTERNAL MONITOR

(a) Appointment of IEM

- i. Maximum two IEMs can be appointed in CVPP(P)L for a period of three years only.

- ii. The detail regarding IEMs shall be available at official web-site of CVPP(P)L.
- iii. The CVC would nominate IEMs, from the panel of IEMs maintained by it. The proposal for nomination of IEMs will be sent to CVC by Corporate Contracts & Procurement Division. in line with Para 5.2 of CVC's SOP dated 25.01.2022 after taking approval of MD. The proposal for nomination of IEMs should preferably be sent 3 months prior to the completion of tenure of the existing IEMs, failing which the CVC would nominate IEM(s) on its own from the panel maintained by it.
- iv. Age of IEMs should not be more than 70 years at the time of appointment.
- v. The IEMs shall be paid per sitting a fees of Rs. 25,000/-.
 - (i) However, the maximum amount payable to IEMs in a calendar year shall not exceed Rs. 3,00,000/- with respect to sitting fees.
 - (ii) Expenses on travel and stay arrangement of IEMs shall be equal to that of Board Member of CVPP(P)L.
- vi. The terms and conditions of appointment, including the remuneration payable to the IEMs, should not be included in the Integrity Pact or the NIT. This may be communicated individually to the IEMs concerned.
- vii. At the time of appointment of an IEM, a copy of SOP should be made available to the person being appointed by the organizations concerned. A copy of Commission's guidelines on "Illustrative check points for various stages of public procurement", available on Commission's website, i.e., www.cvc.gov.in, under CTE's corner may also be provided to the IEMs at the time of their appointment, for guidance purpose.
- viii. In the event of any dispute between the management and the contractor relating to those contracts where Integrity Pact is applicable, 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 organizations may adopt any mediation rules for this purpose. In case, the dispute remains unresolved even after mediation. by the panel of IEMs, the organization may take further action as per the terms & conditions of the contract. The fees for such meetings shall be same as fee payable to IEMs otherwise and in addition to the fees for the regular meeting of IEMs, to be held otherwise and over and above the ceiling of Rs. 3,00,000/- annually, to be calculated as per calendar year. The travel and stay arrangement for such meetings shall be equal to that of Board Member of the organization concerned. 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.

(b) Role and Status of IEM

- i. The IEMs would be provided access to all documents/records pertaining to the contract for which a complaint or issue is raised before them, as and when warranted. However, the documents/records/information having National Security implications and those documents which have been classified as Secret/Top Secret are not to be disclosed.
- ii. It would be desirable to have structured meetings of the IEMs with the Chief Executive of the Organisation on a half yearly basis to discuss / review the information on tenders awarded during the preceding six months' period. Additional sittings, however, can be held as per requirement.
- iii. The IEMs would examine all complaints received by them and give their recommendations/views to the Chief Executive of the organization, at the earliest. They may also send their report directly to the CVO in case of suspicion of serious irregularities requiring legal/administrative action. Only in case of very serious issue having a specific, verifiable Vigilance angle, the matter should be reported directly to the Commission. IEMs are expected to tender their advice on the complaints, within 30 days.
- IV. For ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process or" during execution of contract, the matter should be examined by the full panel of IEMs jointly, who would look into the records, conduct an investigation, and submit their joint recommendations to the Management.
- v. IEM should examine the process integrity; they are not expected to concern themselves with fixing of responsibility of officers. Complaints alleging malafide on the part of any officer of the organization should be looked into by the CVO of CVPP(P)L.
- vi. The advisory role of IEMs is envisaged as that of a friend, philosopher and guide. The advice of IEM would not be legally binding and it is restricted to resolving issues raised by a 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 CVPP(P)L.
- vii. Issues like warranty/guarantee etc. should be outside the purview of IEMs.
- VIII. All IEMs should sign non-disclosure agreements with the organization in which they are appointed. They would also be required to sign a declaration of absence of conflict of interest.
- IX. A person acting as an IEM shall not be debarred from taking up other assignments such as consultancy with other organizations or agencies subject to his declaring that his / her additional assignment does not involve any conflict of interest with existing assignment. In case of any conflict of interest arising at a later date from an

entity wherein he is or has been a consultant, the IEM should inform the CEO/MD and recuse himself/herself from that case.

- X. CVPP(P)L may provide secretarial assistance to IEMs for rendering his/her job as IEM.
- xi. In case of any misconduct by an IEM, the MD/CEO should bring it to the notice of the Commission detailing the specific misconduct for appropriate action at the Commission's end.
- xii. The role of the CVO of the organization shall remain unaffected by the presence of IEMs. A matter being examined by the IEMs can be separately investigated by the CVO in terms of the provisions of the CVC Act or Vigilance Manual, if a complaint is received by him/her or directed to him/her by the Commission.
- xiii. All the deliberations during the IEMs' meetings should be minuted and in the next meeting, the IEMs should confirm the recorded minutes of the previous meeting.

V. REVIEW SYSTEM

CVPP(P)L would undertake a periodical review and assessment of implementation of IP and submit progress reports to the Commission. CVOs of organization would keep the Commission posted with the implementation status through their annual reports and special reports, wherever necessary.

INTEGRITY PACT CLAUSE

To improve transparency and fairness in the tendering process' the Employer is implementing Integrity Pact. Integrity Pact is deemed as part of the contract so that the prospective bidders are bound by its provisions.

The Integrity Pact, signed by all the prospective Bidders and the Employer, shall commit the persons/officials of both the parties, not to exercise any corrupt/fraudulent/collusive/coercive practices in the Tendering process and also during implementation of the Contract. Only those Bidders who have entered into Integrity Pact with the Employer shall be eligible to participate in the bidding process. Bidders signing Integrity Pact shall not approach the Courts while representing the matters to IEMs and he/she will await their decision in the matter.

Entering into Integrity Pact as per Performa (enclosed in Section) is a basic qualifying requirement. In case of JV, each partner of JV shall sign Integrity Pact with the Employer. In case of sub-contracting, the Principal contractor shall be responsible for adoption of Integrity Pact by the sub-contractor.

To oversee the compliance of obligation under the Integrity Pact, a panel of Independent External Monitor(s) (IEMs) have been appointed by concerned authority. The Contact address of IEMs is as under:

1. Shri Pramod Kumar Sangewar, IRSS (Retd.)
H.No. 12-5-65/1 Flat No. 109,
Sri Harsha Sethuram Unique,
Vijayapuri Colony, South Lalaguda,
Secunderabad – 500 017
Telangana State
Contact No: 09573306709
Email: sangewarer@gmail.com

2. Shri Rajesh Pratap Singh, IPS (Retd.)
C/o Satyendra Jain, C.A
Defence Colony Block – 1
Second Floor, Street-1,
South Delhi, New Delhi
Contact No: 09868122209
Email: rps0085@gmail.com

The Integrity Pact duly signed on behalf of the Employer is given in Forms & Procedures of these Bid Documents. The Integrity Pact shall be downloaded, printed and signed by the bidder and the hard copy shall be submitted as provided in clause of ITB.

The successful bidder shall submit duly executed Integrity Pact on Non-Judicial stamp paper of appropriate value prior to signing of Contract Agreement.

Summary of Contract Packages in which IP is included

Details for the quarter ending (To be submitted latest by 10th day after end of quarter)

Name of the Department of C.O./R.O./Project/PS/Unit

Name of the Coordinator

Phone Number

E-mail address

SN	Type of Procurement	Under tendering stage in numbers	Awarded in numbers	Cancelled in numbers
1	Works			
2	Goods			
3	Services			
	Total			

Information of Tendering Package

(To be provided for each case once on issuance of NIT)

Sr. No.	Item	Information/Details
1	Name of Contract Package	
2	Estimated Cost	
3	Duration of Contract Package (Time for Completion)	
4	Date of issue of NIT/NIQ	
5	Period of sale of Bid Document	
6	Date of Pre-bid meeting (if any)	
7	Description of Scope of work	
8	Qualifying requirements*	
9	Urgency of requirement of Works/Goods/Services (applicable) covered under Contract Package	
10	Any special feature of the Contract Package	

* Note Please attaché separate sheet if required.

(Head of Project)

(Signature of the Coordinator)

Appendix-III

Status of contract packages in which IP is included

Details for the quarter ending (To be submitted latest by 10^h day after end of quarter)

Name of the Division of C.O. /R.O. /Project/PS /Unit

Name of the Coordinator

Phone Number

E-mail Address

Sl. No.	Name of Work & Tender No.	Corrigenda/ Addenda, if any issued	Tender Evaluation Status	LOA/Contract Agreement Reference	Major Post tender modification, if any having financial implication	Completion / Closure of contract
1. Goods						
2.Services						
3. Works						

(Head of Project)

(Signature of the Coordinator)