



भारतीय प्रौद्योगिकी संस्थान कानपुर  
INDIAN INSTITUTE OF TECHNOLOGY KANPUR

कुलसचिव कार्यालय  
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संदर्भ/Ref. : RO/CVC/2023/IITK/244

दिनांक/Date: October 05, 2023

Office Memorandum

**Subject: Implementation of Integrity Pact (IP) in the Procurement Contracts above Rs. 1 Crore - reg.**

The competent authority has approved adoption and implementation of Integrity Pact in the Institute procurement Contracts above Rs.1 Crore vide its office order No. DIR/IITK/2023/00-71 dated 26.09.2023 with immediate effect.

In this context, the central Vigilance Commission vide its Circular No. 04/06/23 has presented a Standard Operating Procedure (SOP) for adoption and implementation of Integrity Pact and the same was adopted by the Institute:

The salient points of Standard Operating Procedure (SOP) are as below:

1. The provision for the Integrity Pact is to be included in all Request for Proposal/Tender documents above Rs.1 Crore.
2. IP would be implemented through a panel of Independent External Monitors (IEMs). The CVC vide its letter No. 022/VGL/078/546789 dated 04.05.2023 and subsequently Ministry of Education vide No. C-34014/1/2022-Vig. Dated 25.05.2023 has appointed following persons as IEMs for IIT Kanpur for three years:
  - i. Shri Ranvir Singh, [IEM1@iitk.ac.in](mailto:IEM1@iitk.ac.in)
  - ii. Shri P. V. V. Satyanarayana, [IEM2@iitk.ac.in](mailto:IEM2@iitk.ac.in)
3. In all tenders covered under the IP, particulars of all IEMs, including their e-mail IDs. should be mentioned.
4. It is to be executed on a non-judicial Stamp Paper of Rs.100.
5. Only those vendor/bidders, who commit themselves to such a pact with the Institute, would be considered competent to participate in bidding process. Entering into this pact would be a preliminary qualification.
6. 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 other Financial Rules/Guidelines etc. as may be applicable to the Institute.
7. 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. Integrity Pact shall be operative from the date IP is signed by both the parties. In case of joint venture, all the partners of the joint venture should sign the Integrity Pact.

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9. In case of sub-contracting, the Principal Contractor shall take responsibility of the adoption of IP by the sub-contractor. It is to be ensured that all sub-contractors also sign the IP. In case of sub-contractors, the IP will be a tri-partite arrangement to be signed by IIT Kanpur, the contractor, and the sub-contractor.
10. On behalf of IIT Kanpur, the pact will be signed by the competent authority as outlined in the Delegation of Financial Power (DFPR) – 2022.
11. The IEMs shall examine all the representations/grievances/complaints received by them from the bidders or their authorised representative related to any discrimination on account of lack of fair play in modes of procurement and bidding systems, tendering method, eligibility conditions, bid evaluation criteria, commercial terms & conditions, choice of technology/specifications etc.
12. A summary contracts, which are covered under the IP, shall be shared with IEMs through CVO, IIT Kanpur on quarterly basis.
13. Such summary of contracts should include details like tender number, mode of tendering, period allowed for publicity, number of bids received, number of bidders considered eligible, and name and address of the successful bidder.
14. The Model format of Integrity Pact is placed at **Annexure A**.
15. This issues in accordance with the Directorate office order No. DIR/IITK/2023/OO-71 dated September 26, 2023.



**Prof. Braj Bhushan**  
**Officiating Registrar**

Encl: As Above

Copy to:

1. Director
2. Dy. Director
3. All Deans
4. All HoDs
5. All OICs
6. Registrar
7. CVO

**Pre-Contract Integrity Pact**  
(Applicable for all tenders of the value above Rs.1 Crore)

**General**

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on \_\_\_\_\_ day of the month of \_\_\_\_\_ 202\_\_.

**BY AND BETWEEN**

The Indian Institute of Technology Kanpur represented through "**The Registrar**", having its office located at G.T. Road, Kalyanpur, Kanpur, Uttar Pradesh – 208016 (hereinafter called the "**BUYER**", which expression shall mean and include, unless **the** context otherwise requires, his successors in office and assigns) of the **First Party**;

**AND**

M/s \_\_\_\_\_ a  
company incorporated under the Companies Act, 2013 through its representative/authorized signatory (insert name and designation of the officer) vide resolution dated \_\_\_\_\_ passed by the Board of Directors, having its registered office at \_\_\_\_\_

(hereinafter referred to as "**The Bidder(s)/Contractor(s)**" which terms or expression shall, unless excluded by or repugnant to the subject or context, mean and include its successor-in-office, administrators or permitted assignees) of the **Second Party**;

**WHEREAS**, the Institute/Buyer has floated the Tender bearing No. \_\_\_\_\_ (hereinafter referred to as "**Tender/Bid**") and intends to award, under laid down organization procedures, contract(s) for \_\_\_\_\_ (Name of the work/goods/ services). The Institution values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness/transparency in its relations with its Bidder(s) and/or Contractor(s).

**AND WHEREAS**, the BIDDER 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 body corporate and has been established under the provisions of the Institutes of Technology Act, 1961.

**AND WHEREAS**, in order to achieve these goals, in consultation with the CVC, the Govt. of India, Ministry of Education has appointed Independent External Monitors (IEMs), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

**NOW, THEREFORE**, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced 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 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 BIDDERS 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 its officials by following transparent procedures.

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

### **Section 1: Commitments of the BUYER**

1. The BUYER commits itself to take all measures necessary to prevent corruption and to observe the following principles: -
  - (a) No employee of the BUYER, personally or through family members, shall 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.
  - (b) The BUYER shall treat all Bidder(s) with equity and reason during the tender process. The BUYER shall, in particular, before and during the tender process, provide to all Bidder(s) the same information and shall not provide to any Bidder(s) confidential / additional information through which the Bidder(s) could obtain an advantage in the tender process or the contract execution.
  - (c) The BUYER shall exclude from the process all known persons having conflict of interest.
2. If the BUYER 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 BUYER shall inform the Chief Vigilance Officer, IIT Kanpur and in addition shall initiate disciplinary proceedings.

### **Section 2: Commitments of BIDDERS**

1. The BIDDER commits itself 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 commit itself to the following:-
  - (a) The BIDDER 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, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.



- (b) The BIDDER 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 Government for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Government.
- (c) The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly, the Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of the foreign entity or associates, if any. Further details as mentioned in the "Guidelines of Indian Agents of Foreign suppliers" shall be disclosed by the Bidders(s)/Contractor(s). Further, as mentioned in the Guidelines all payments made to the Indian Agent/representative have to be in Indian Rupees only.
- (d) BIDDERS shall disclose the payments to be made by them to agents/brokers or any other intermediary, in connection with this bid/contract.
- (e) The BIDDER further confirms and declares to the BUYER that the BIDDER is the original manufacturer/integrator/authorised government sponsored export entity of the defence stores 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.
- (f) 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.
- (g) The BIDDER 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.
- (h) The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
- (i) The BIDDER 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 also undertakes to exercise due and adequate care lest any such information is divulged.

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- (j) The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
- (k) The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.
- (l) If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, 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's firm, the same shall be disclosed by the BIDDER at the time of filing of tender. The term 'relative' for this purpose would be as defined in Section 2(77) of the Companies Act, 2013.
- (m) The BIDDER 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.

### **Section 3: Disqualification from tender 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 Section 2, above or in any other form such as to put their reliability or credibility in question, the Institute/Buyer is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the "Guidelines on Banning of Business Dealing".
2. Any violation of Integrity Pact would entail disqualification of the bidder(s) and exclusion from future business dealings, as per the existing provisions of GFR-2017, PC Act, 1988 and other Financial Rules/Guidelines etc. as may be applicable to the organization concerned.

### **Section 4: Compensation for Damages:**

1. If the Institute/Buyer has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Institute/Buyer is entitled to demand and recover the damages equivalent to Earnest Money Deposit/Bid Security.
2. If the Institute/Buyer has terminated the contract according to Section 3, or if the Institute/Buyer is entitled to terminate the contract according to Section 3, the Institute/Buyer shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.

### **Section 5: Previous Transgression**

1. THE BIDDER(S) to disclose any transgressions with any other public/government organization that may impinge on the anti-corruption principle. The date of such transgressions, for the purpose of disclosure by the BIDDER(s) in this regard, would be the date on which cognizance of the said transgression was taken by the competent authority. The period for which such transgression(s) is/are to be reported by the bidders

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shall be the last **three years** to be reckoned from date of bid submission. The transgression(s), for which cognizance was taken even before the said period of three years, but are pending conclusion, shall also be reported by the BIDDERS.

2. The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER 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:**

1. In the case of sub-contracting, the principal/main Contractor shall take the responsibilities of adoption of the Integrity Pact by the Sub-contractor.
2. The BUYER will enter into agreements with the identical conditions as this one with all bidders and Contractors.
3. The BUYER will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

#### **Section 7: Criminal Charges against violating Bidder(s)/Contractor(s)/Sub-Contractors:**

1. If the Buyer obtains knowledge of the conduct of a Bidder, Contractor or Sub-contractor, or of an employee or a representative or an associate of a Bidder, Contractor or Sub-contractor which constitutes corruption, or if the Institute/Buyer has substantive suspicion in this regard, the Institute/Buyer will inform the same to the Chief Vigilance Officer, IIT Kanpur.

#### **Section 8: Earnest Money (Security Deposit)**

1. While submitting a commercial bid, the BIDDER shall deposit an amount of Rs. \_\_\_\_\_ (to be specified in RFP) as Earnest Money/Security Deposit, with the BUYER through any of the following instruments:
  - (i) Bank Draft in the favour of The **Registrar, IIT Kanpur**.
  - (ii) A confirmed guarantee by an Indian Nationalised 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 of payment.
  - (iii) Any other mode or through any other instrument (to be specified in the RFP).
2. The Earnest Money (Security Deposit) should be valid up to a period of 45 days beyond the validity of the quote. However, the Security Deposit/Performance Bank Guarantee is to be obtained from the successful bidder which remain valid for a period of sixty days beyond the date of completion of contractual obligations of the supplier including warranty obligations. Bid security should be refunded to the successful bidder on receipt of Performance Security.

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3. In case of the successful BIDDER 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.
4. No interest shall be payable by the BUYER to the BIDDER on Earnest Money/Security Deposit for the period of its currency.

#### **Section 9: Sanctions for Violations**

1. Any breach of the aforesaid provisions by the BIDDER or anyone employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the BUYER to take all or any one 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. However, the proceedings with the other BIDDER(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.
  - (iv) To recover all sums already paid by the BUYER, and in case of an Indian BIDDER with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a BIDDER from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the BIDDER from the BUYER in connection with any other contract for any other stores, such outstanding payment could also 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, 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. The BIDDER 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 to the BIDDER.
  - (vii) To debar the BIDDER from participating in future bidding processes of the Institute for a minimum period of two years, which may be further extended at the discretion of the BUYER.

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- (viii) To recover all sums paid in violation of this Pact by BIDDER(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, the same shall not be opened.
  - (x) 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.
2. The BUYER will be entitled to take all or any of the actions mentioned at para 9.1 (i) to (x) of this Pact also on the Commission by the BIDDER or anyone employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), 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.
3. The decision of the BUYER to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the Independent Monitor(s) appointed for the purposes of this Pact.

#### **Section 10: Fall Clause**

1. The BIDDER undertakes that it has not supplied/is not supplying similar product/systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar product/systems or sub-systems was supplied by the BIDDER to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the BUYER, if the contract has already been concluded.

#### **Section 11: Independent Monitors**

1. The IEMs have been appointed by the Ministry of Education in consultation with the Central Vigilance Commission. The details of the IEMs are as follows:
- (a) Mr. Ranvir Singh, [IEM1@iitk.ac.in](mailto:IEM1@iitk.ac.in)
  - (b) Mr. P.V.V. Satyanarayana, [IEM2@iitk.ac.in](mailto:IEM2@iitk.ac.in)
2. The task of the Monitor shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.
3. The Monitor shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.
4. Both the parties accept that the Monitor has the right to access all the documents relating to the project/procurement, including minutes of meetings.



5. As soon as the Monitor notices, or has reason to believe, a violation of this Pact, he will so inform the Authority designated by the BUYER.
6. The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER 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 confidentiality.
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. The Monitor will submit a written report to the designated Authority of BUYER 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. A person signing the IP Pact shall not approach the Court while representing the matter to IEMs and shall await the decision in the matter.
10. The IP would be implemented through a panel of Independent External Monitors (IEMs), appointed by the Ministry. The IEM would review independently and objectively whether and to what extent parties have complied with their obligations under the Pact on receipt of any complaint by them from the Bidder(s).
11. Integrity Pact (IP), in respect of a particular contract, shall be operative from the date IP is signed by both parties. The IEMs shall examine all the representations/grievances/complaints received by them from the bidders or their authorized representatives related to any discrimination on account of lack of fair play in modes of procurement and bidding systems, tendering method, eligibility conditions, bid evaluation criteria, commercial terms & conditions, choice of technology/specifications etc.
12. For ensuring the desired transparency and objectivity in dealing with the complaints arising out of the tendering process, the matter should be examined by the full panel of IEMs jointly, who would look into the records, conduct an examination, and submit their joint recommendations to the Management. In case the full panel is not available due to some unavoidable reasons, the available IEM(s) will conduct examination of the complaints. Consent of the IEM(s), who may not be available, shall be taken on the records.
13. 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

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a time-bound manner. If required, the organization 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/expenses on dispute resolution shall be equally shared by both parties.

14. If the Monitor has reported to the Management of the BUYER a substantiated suspicion of an offense under the relevant IPC/ PC Act, the Management of the BUYER will take action after examination of the veracity of the intent of the action.
15. The word "**Monitor**" would include both singular and plural.

#### **Section 12: Facilitation of Investigation**

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

#### **Section 13: Law and Place of Jurisdiction**

1. This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the BUYER i.e., Kanpur Nagar.

#### **Section 14: Other Provisions**

1. 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.
2. Changes and supplements, as well as termination notices, need to be made in writing. Side agreements have not been made.
3. In the case of a joint venture, all the partners of the joint venture should sign the Integrity Pact. In the case of sub-contracting, the principal/main contractor shall take responsibilities of the adoption of IP by the sub-contractor. It is to be ensured that all sub-contractors also sign the IP. In the case of sub-contractors, the IP will be a tri-partite arrangement to be signed by the Institute/Buyer, the Contractor, and the sub-contractor.
4. Issues like Warranty/Guarantee etc. shall be outside the purview of the IEMs.
5. This Integrity Pact is deemed as part of the contract.

#### **Section 15: Validity**

1. The validity of this Integrity Pact shall be 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 BUYER

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and the BIDDER/Seller, including the 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.

2. Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement with their original intentions.

**IN WITNESS WHEREOF**, the parties hereunto set their hands and seals and executed this Integrity Pact as of the date/month/year first above written in the presence of following witnesses:

*Usgf*

For & on behalf of  
**The Indian Institute of Technology Kanpur**  
**(First Party)**

Signed, Sealed and delivered by

विश्व रंजन / Vishwa Ranjan  
कुलसचिव / Registrar

Name: **Vishwa Ranjan**  
Designation: **Registrar**  
Address: **JIT Kanpur**  
(Authorized Signatory)

For & on behalf of  
**The M/s .....**  
**(Second Party)**

Signed, Sealed and delivered by

Name: .....  
Designation: .....  
Address: .....  
(Authorized Signatory vide resolution  
dated ..... passed by the Board of  
Directors)

**In the presence of Witness:**

1. ....(Indenter)
2. ....

1. ....
2. ....

*Usgf*



No. C-34014/1/2022-Vig.  
Government of India  
Ministry of Education  
Department of Higher Education  
Vigilance Branch

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Room No. 209-C, Shastri Bhawan,  
New Delhi, Date :25 May, 2023

To

The Director  
IIT, Kanpur  
Kanpur – 208016  
Uttar Pradesh

Subject: Appointment of Independent External Monitors (IEMs) in IIT, Kanpur-reg.

Sir,


I am directed to refer to IIT, Kanpur's letter No DIR/IITK/2022 dated 14.03.2022 on the subject mentioned above and to say that Central Vigilance Commission (CVC) vide O.M.022/VGL/078/546789 dated 04.05.2023 (copy enclosed) has nominated Shri Ranvir Singh, IFoS (Retd.) and Shri P.V.V. Satyanarayana, IRSS (Retd) for appointment as Independent External Monitors (IEMs) in IIT, Kanpur. Bio-data of both of these officials is also enclosed.

2. The appointment is recommended for a period of three years only. The revised Standard Operating Procedure (SOP) for adoption and implementation of Integrity Pact(IP) issued vice CVC circular No.05/01/2022 dated 25.01.2022 available on Commission's Website i.e. <https://cvc.gov.in>. The SOP may be made available to the IEMs for reference purpose.

3. Accordingly, the institute may appoint Shri Ranvir Singh, IFoS (Retd.) and Shri P.V.V. Satyanarayana, IRSS (Retd) as Independent External Monitors (IEMs) in IIT, Kanpur and copy of the appointment order may be furnished to the Vigilance Branch, MoE for further necessary action.

Encl: As above.

Yours faithfully,

  
(Sanjay Kumar)

Under Secretary to the Govt. of India

F. No. 32-6/2020-TS-I  
Government of India  
Ministry of Education  
Department of Higher Education  
Technical Section-I

\*\*\*\*

Shastri Bhawan, New Delhi  
Dated: 24.01.2022

To,  
The Directors,  
All IITs

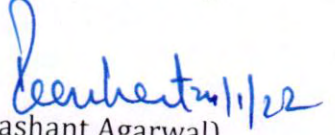
**Subject: Guidelines issued by Vigilance Division, Ministry of Education regarding integrity pact and appointment of IEM.**

Sir,

Please find attached herewith the OM No 34014/03/2021-Vig dated 03.01.2022 issued by Vigilance Division of the Ministry regarding use of Integrity pact and appointment of Independent External Monitors (IEM) for necessary action and compliance.

Encl: As above

Yours faithfully,



(Prashant Agarwal)

Director (IITs)

Ph. No. 011-23073271





सत्यमेव जयते

केन्द्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



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सं./No.....015/VGL/091.....

दिनांक / Dated 14.06.2023.....

Circular No. 04/06/23

**Subject : Adoption and implementation of Integrity Pact-Revised Standard Operating Procedure- regarding.**

The Commission has reviewed the Standard Operating Procedure (SOP) for adoption of Integrity Pact (IP) by all Government Organizations, Public Sector Enterprises, Public Sector Banks, Insurance Companies, other Financial Institutions and Autonomous bodies etc. A copy of the revised SOP is enclosed, which would be applicable for adoption and implementation of the IP by the organizations concerned.

2. The present SOP is in supersession of the earlier SOP issued vide Circular No. 05/01/22 dated 25.01.2022.

*WJ Keishing*

(Wormila Jasmine Keishing)  
Deputy Secretary

Encl.: As above

To

- (i) All Secretaries of Ministries / Departments. (This Circular may also be shared with the existing IEMs in the organizations concerned)
- (ii) All CMDs/Head of CPSUs/Public Sector Banks/Organisations. (This Circular may also be shared with the existing IEMs in the organizations concerned)
- (iii) All CVOs of Ministries/Departments/CPSUs/Public Sector Banks/Organisations. (This Circular may be brought to the notice of the Chief Executive of the organization concerned)
- (iv) All Independent External Monitors.

## **STANDARD OPERATING PROCEDURE FOR IMPLEMENTATION OF INTEGRITY PACT**

### **1.0 BACKGROUND**

- 1.1 In order to ensure transparency, equity and competitiveness in public procurement, the Commission recommends adoption and implementation of the concept of Integrity Pact (IP) by Government organizations, Public Sector Enterprises, Public Sector Banks, Insurance Companies, other Financial Institutions and Autonomous Bodies, etc.
- 1.2 Deptt. of Expenditure vide OM dt. 19.7.2011, issued guidelines to all Ministries/Departments/Organizations including their attached/subordinate offices and autonomous bodies for implementation of IP. Also, vide OM dated 20.7.2011, Deptt. of Expenditure requested Department of Public Enterprises for directions to Central Public Sector Enterprises for use of IP.
- 1.3 Further, in view of the increasing procurement activities of Public Sector Banks (PSBs), Insurance Companies (ICs) and Financial Institutions (FIs), the Commission vide Circular No. 02/02/2015 dated 25.02.2015 advised that all PSBs, PSICs and FIs shall also adopt and implement the Integrity Pact.
- 1.4 The Commission vide Circular No. 05/01/22 dated 25.01.2022, issued a revised Standard Operating Procedure (SOP) for adoption and implementation of Integrity Pact by Organizations.

### **2.0 INTEGRITY PACT**

- 2.1 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 Principal not to seek or accept any benefit, which is not legally available;
- Promise on the part of bidder not to offer any benefit to the employees of the Principal not available legally;
- Principal to treat all bidders with equity and reason;
- 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 Principal 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 public/government organization that may impinge on the anti-corruption principle. The date of such transgression, for the purpose of disclosure by the bidders in this regard, would be the date on which cognizance of the said transgression was taken by the competent authority. The period for which such transgression(s) is/are to be reported by the bidders shall be the last three years to be reckoned from date of bid submission. The transgression(s), for which cognizance was taken even before the said period of three years, but are pending conclusion, shall also be reported by the bidders.

- 2.2 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 other Financial Rules/Guidelines etc. as may be applicable to the organization concerned.

- 2.3 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 on receipt of any complaint by them from the bidder(s).
- 2.4 Integrity Pact, in respect of a particular contract, shall be operative from the date IP is signed by both the parties. The IEMs shall examine all the representations/grievances/complaints received by them from the bidders or their authorized representative related to any discrimination on account of lack of fair play in modes of procurement and bidding systems, tendering method, eligibility conditions, bid evaluation criteria, commercial terms & conditions, choice of technology/specifications etc.
- 2.5 For ensuring the desired transparency and objectivity in dealing with the complaints arising out of the tendering process, the matter should be examined by the full panel of IEMs jointly, who would look into the records, conduct an examination, and submit their joint recommendations to the Management. In case the full panel is not available due to some unavoidable reasons, the available IEM(s) will conduct examination of the complaints. Consent of the IEM(s), who may not be available, shall be taken on record.
- 2.6 The role of IEM is advisory and the advice of IEM is non-binding on the Organization. However, as IEMs are invariably persons with rich experience who have retired as senior functionaries of the government, their advice would help in proper implementation of the IP.
- 2.7 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. CVO and /or the officials of the vigilance wing should not be associated by IEMs during examination of the complaints in any manner.



### 3.0 APPOINTMENT OF IEMs

- 3.1 The IEMs appointed should be eminent persons of high integrity and reputation. A periodical notice inviting applications from eligible persons will be published on the Commission's website. After due scrutiny and verification of the applications and accompanying documents, as may be deemed appropriate by the Commission, the name(s) would be included in the panel for consideration for nomination as IEM.
- 3.2 The zone of consideration of eminent persons for empanelment as IEMs would consist of:-
- (i) Officers who have held the post of Additional Secretary to Govt. of India or were in equivalent or higher pay scale, at the time of retirement (whether serving with Govt. of India or any State Govt.).
  - (ii) Persons who have held the post of CMD of Schedule 'A' Public Sector Enterprise and were equivalent to Additional Secretary to Govt. of India, at the time of retirement.
  - (iii) Persons who have held the post of CMD/MD and CEO of Public Sector Banks, Insurance Companies and other Financial Institutions, at the time of retirement.
  - (iv) Chief Executive Officer of an organization (other than listed above and were equivalent or higher to Additional Secretary to Govt. of India, at the time of retirement).
  - (v) Officers of Armed Forces, who were in the pay scale of equivalent or higher to Additional Secretaries to Govt. of India, at the time of retirement.
- 3.3 The Commission would not include a retired person in the panel being maintained by it for consideration for nomination as IEM, if that retired person has accepted a full time assignment, post retirement, either in government sector or private sector or elsewhere. All those empanelled persons, who accept full time assignment elsewhere, would cease to remain on the panel, from the date on which they have accepted the said assignment. In

this regard, it would be incumbent upon the empanelled persons to immediately inform the Commission about the acceptance of full time assignment by them.

- 3.4 The Commission would nominate IEMs for an organization, from the panel of IEMs maintained by it. The concerned organization should send a request for nomination of IEMs in case of adoption of Integrity Pact by them. Whenever a vacancy is likely to arise due to completion of tenure of an existing IEM, the organization should send the request for nomination of IEM three months before the expiry of tenure. Similarly, in case of resignation of IEM(s), intimation along with request for nomination should be sent immediately by the organization to the Commission.
- 3.5 Three IEMs shall be nominated for appointment in Maharatna and Navratna PSUs and two IEMs shall be nominated in all other organizations.
- 3.6 A person may be appointed as an IEM in a maximum of three organizations at a time.
- 3.7 An empanelled person cannot be appointed in one organization for a period of more than three years.
- 3.8 Age of IEM should not be more than 70 years at the time of appointment.

#### **4.0 IMPLEMENTATION PROCEDURE**

- 4.1 The provision for the Integrity Pact is to be included in all Requests for Proposal/Tender documents issued in future in respect of the procurements that meet the criteria laid down by the Ministry/Department in terms of Department of Expenditure's OM dated 19.07.2011.
- 4.2 In all tenders covered under the IP, particulars of all IEMs, including their email IDs, should be mentioned, instead of mentioning details of a single IEM.

- 4.3 The Purchase / procurement wing of the organization would be the focal point for the implementation of IP.
- 4.4 It has to be ensured, through an appropriate provision in the tender document, that Integrity Pact is deemed as part of the contract so that the parties concerned are bound by its provisions.
- 4.5 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.
- 4.6 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 responsibility of the adoption of IP by the sub-contractor. It is to be ensured that all sub-contractors also sign the IP. In case of sub-contractors, the IP will be a tri-partite arrangement to be signed by the Organization, the contractor, and the sub-contractor.
- 4.7 The final responsibility for implementation of IP vests with the Head of organization/CMD/CEO of the organization.

## **5.0 ROLE OF IEMs**

- 5.1 The IEMs would be provided access to all documents/records pertaining to the tender for which a complaint or issue is raised before them, as and when warranted.
- 5.2 The Procurement wing of the organization shall hold quarterly meetings with the IEMs. A summary of contracts awarded in the previous quarter, which are covered under the IP, shall be shared with the IEMs during the quarterly meeting. Such summary of contracts should include details like tender number, mode of tendering, period allowed for publicity, number of bids received, number of bidders considered eligible, and name and address of the successful bidder.



- 5.3 The above summary of contracts is to help the IEMs in analyzing whether appropriate mode of tendering is being adopted by the organization i.e. limited tender mode or nomination mode are not unduly used, number of bidders are not too low, large number of bidders are not excluded while judging the eligibility or during technical bid evaluation stage, and whether particular firm or set of particular firms is repeatedly getting contracts etc. Based on their analysis, the IEMs can suggest to the Management suitable systemic improvement(s) and measures to improve objectivity in decision making, capacity building etc.
- 5.4 It would be desirable to have structured meetings of the IEMs with the Chief Executive of the Organization on a half yearly basis to discuss / review the information on tenders awarded during the preceding six months' period. Additional such meetings, however, can be held as per requirement. All such meetings with the Procurement wing or with the Chief Executive of the organization should be minuted.
- 5.5 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 the concerned Organization.
- 5.6 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. However, not more than five meetings shall be held for a particular dispute resolution. The fees/expenses on dispute resolution shall be equally shared by both the parties.

In case, the dispute remains unresolved even after mediation by the panel of IEMs, the organization may take further action as per the terms & conditions of the contract.

- 5.7 All IEMs should sign non-disclosure agreements with the organization in which they are appointed.
- 5.8 The IEMs would also be required to sign a declaration of absence of conflict of interest. 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, and it is not a full time 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 and recuse himself/herself from that case.

**6.0 ENTITLEMENTS OF IEMs**

- 6.1 In any organization, the IEMs shall be paid per sitting a fees of ₹ 25,000/- . However, the maximum amount payable to IEMs in a calendar year shall not exceed ₹ 3,00,000/- with respect to the sitting fees.
- 6.2 The travel and stay arrangement for the IEMs for such meetings shall be equal to their entitlements at the time of retirement. Booking of tickets for travel, as per the mode of travel indicated by the IEM in writing (including email), local transport and stay shall be done by the organization.
- 6.3 The fees for meetings held by IEMs for mediation between the Management and the contractor as per Para 5.6 above shall be the same as fee payable to IEMs otherwise and in addition to the fees for the regular meetings of IEMs, over and above the ceiling of ₹ 3,00,000/- annually, to be calculated as per calendar year. The travel and stay arrangement for such meetings shall be same as given in Para 6.2 above.
- 6.4 The organization concerned shall provide place for meeting and secretarial assistance to IEMs for rendering his/her job as IEM. No payment in lieu of secretarial assistance shall be paid to the IEMs.

**7.0 REVIEW SYSTEM**

- 7.1 CVOs of all organizations would keep the Commission posted with the implementation status through their annual reports and special reports, wherever necessary.
- 7.2 All organizations are called upon to make sincere and sustained efforts to imbibe the spirit and principles of the Integrity Pact and ensure its effective implementation.