



भारतीय प्रौद्योगिकी संस्थान कानपुर  
INDIAN INSTITUTE OF TECHNOLOGY KANPUR

कुलसचिव कार्यालय  
Registrar Office



Tel. : +91- 512-259 7808/6434 (O)

Fax : +91- 512-259 0465

Email: registrar@iitk.ac.in

पत्रालय - आई.आई.टी., कानपुर-208 016 (भारत)

Post Office - I.I.T., KANPUR-208 016 (India)

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.

Conti...(2)

(2)

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

**INTEGRITY PACT**

**(To be executed on a non-judicial Stamp Paper of Rs.100 and applicable for all tenders of threshold value above Rs. 1 Crore)**

This **INTEGRITY PACT** is made and executed at..... on this day of ....., 2023.

*BY AND BETWEEN*

The Indian Institute of Technology Kanpur represented **through The Registrar**, having its office located at GT Road, *Kalyanpur, Kanpur, Uttar Pradesh – 208016* (hereinafter referred to as “**The Principal**” 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 **First Part**;

AND

M/s.....a company incorporated under the Companies act,..... through its representative /authorized signatory (insert name and designation of the officer) vide resolution dated..... passed by the board of directors, having its office at .....( hereinafter referred to as “**The Bidder/Contractor**” 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 Part**;

## Preamble

The Principal intends to award, under laid down organizational procedures, contract/s for (Name of the work/goods/services). The Principal 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).

In order to achieve these goals, the Principal will appoint Independent External Monitors (IEMs), 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 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 Principal will during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
  - 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 IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

### **Section 2 - Commitments of the Bidder(s)/Contractor(s):**

- (1) The Bidder(s)/Contractor(s) commit themselves to take all measures necessary to prevent corruption. The Bidder(s)/Contractor(s) commits themselves to observe the following principles during participation in the tender process and during the contract execution.
  - a) The Bidder(s)/Contractor(s) will not, directly or through any other persons 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 other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage or 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 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(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 purposes of competition or personal gain, or pass on to other, 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(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 principals, 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. “Guidelines on Indian Agents of Foreign Suppliers”
  - e) The Bidder(s)/Contractor(s) will, when presenting their bid, disclose any and all payments made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
  - f) Bidder(s)/Contractor(s) who have signed the Integrity Pact shall not approach the courts while representing the matter to IEMs and shall wait for their decision in the matter.
- (2) The Bidder(s)/Contractor(s) 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(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 Principal 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”.

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

1. If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the 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 liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee

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

1. The Bidder declares that no previous transgressions occurred in the last three years with any other company in any country conforming to the anti-corruption approach or with any 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 action can be taken as per the procedure mentioned in “Guidelines on Banning of business dealing”.

#### **Section 6: Equal treatment of all Bidders / Contractors / Sub-Contractors.**

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

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

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

Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

### **Section 8 : Independent External Monitor**

1. The Principal appoints competent and credible Independent External Monitor for this Pact after approval by Central Vigilance Commission. 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/her functions neutrally and independently. The Monitor would have access to all contract documents, whenever required. It will be obligatory for him/her to treat the information and documents of bidders /contractors as confidential. He/she reports to the Director, IIT Kanpur.
3. The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his/her request and demonstration of a valid interest, unrestricted and unconditional access to their project documentation. The same is applicable to Subcontractors.
4. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Subcontractor(s) with confidentiality. The Monitor has also signed declarations on “Non – Disclosure of Confidential Information” and of “Absence of Conflict of Interest” In case of any conflict of interest arising at a later date, the IEM shall inform the Director, IIT Kanpur.
5. 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 Contractor. The parties offer to the Monitor the option to participate in such meetings.
6. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he/she will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. 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.
7. The Monitor will submit a written report to the Director, IIT Kanpur 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.

8. If the Monitor has reported to the Director, IIT Kanpur, a substantiated suspicion of an offence under relevant IPC/PC Act, and the Director, IIT Kanpur has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.
9. 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 12 months after the last payment under the contract, and for all other Bidders 6 months after the contract has been awarded. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealing.

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 the Director, IIT Kanpur.

### **Section 10 - Other provisions:**

1. This agreement is subject to Indian Law, Place of performance and jurisdiction is the Office of the Director, IIT Kanpur.
2. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
3. If the Contractor 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 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. Issues like Warranty/Guarantee etc. shall be outside the purview of the IEMs.
6. In the event of any contradiction between the Integrity Pact and its Annexure, the clause in the Integrity Pact will prevail.
7. The actions stipulated in this Integrity Pact are without prejudice to any other legal action(s) that may follow in accordance with the provisions of the extent law in force relating to any civil or criminal proceedings.



IN WITNESS WHEREOF, the parties hereunto set their hands and seals and executed this INTEGRITY PACT as of the day/month/year first above written:

For & on behalf of

**Indian Institute of Technology Kanpur (First Party)**

SIGNED, SEALED AND DELIVERED BY

Name:.....

Designation:.....

Address:.....

Authorized Signatory

For and on behalf of

**M/s. ....(Second Party)**

SIGNED, SEALED AND DELIVERED BY

Name:.....

Designation:.....

Address:.....

Representative/authorized signatory vide  
resolution dated .....passed by the Board of  
Directors

**In the presence of Witness:**

1.

2.

Note: 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)

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. Satyanarayan, 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.

Yours faithfully,

  
(Sanjay Kumar)

Encl: As above.

**Under Secretary to the Govt. of India**



केन्द्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,  
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110023  
Satarkta Bhawan, G.P.O. Complex,  
Block A, INA, New Delhi-110023

सं./No.....022/VGL/078/S.4.6.789

दिनांक / Dated..04.05.2023.....

To

Shri Sanjay Kumar,  
Under Secretary,  
Ministry of Education,  
D/o Higher Education,  
Vigilance Section, Room No. 106-C,  
Shastri Bhawan,  
New Delhi - 110002

**Sub:- Appointment of Independent External Monitors (IEMs) in Indian Institute of Technology, Kanpur - reg.**

Sir,

Please refer to your letter No. C-34011/01/2022-Vig dated 06.10.2022 on the aforementioned subject.

2. The Commission has considered the proposal of D/o Higher Education for nomination of eminent person(s) as IEMs for the Indian Institute of Technology, Kanpur. The Commission would nominate Shri Ranvir Singh, IFoS (Retd.) and Shri P. V. V. Satyanarayana, IRSS (Retd.) for appointment as IEMs for IIT, Kanpur. Their appointment should be done for a period of three years only. The revised Standard Operating Procedure (SOP) for adoption and implementation of Integrity Pact (IP) issued vide Circular No. 05/01/2022 dated 25.01.2022 is available on Commission's website i.e. <https://cvc.gov.in>. The SOP may be made available to the IEMs for reference purpose.

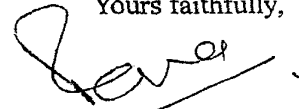
3. The bio-data and contact details of the nominated person(s) are enclosed. Their address as per records, is as below: -

(ii) Shri Ranvir Singh  
Village & Post - Hardas Pur,  
Tehsil - Phagwara, Distt.-Kapurthala,  
Punjab - 144 411  
Mob:- 9711000103  
Email:- [RANVIRBAINS@HOTMAIL.COM](mailto:RANVIRBAINS@HOTMAIL.COM)

(ii) Shri P. V. V. Satyanarayana,  
Flat 302, H. No.12-7-110,  
SMR Vinay Heights, Kesava Nagar,  
Mettuguda,  
Secunderabad - 500017  
Mob:- 9989355255  
Email:- [skpadala@gmail.com](mailto:skpadala@gmail.com)

4. D/o Higher Education may send a copy of appointment orders of the IEMs to the Commission for information and updation of its records,

Yours faithfully,



(Rajiv Verma)  
Director

Tel. No. 24651081

Encl.: As above.

AU Dirs/DSS

**No. C-34014/03/2021-Vig.**  
**Government of India**  
**Ministry of Education**  
**Department of Higher Education**  
**Vigilance Section**

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Room No. 106-C, Shastri Bhawan,  
 New Delhi, Dated: 03/01/2022

OFFICE MEMORANDUM

**Subject: Use of Integrity Pact by Ministries / Departments and Appointment of Independent External Monitors (IEMs) in the Ministry of Education-reg.**

The undersigned is directed to enclose herewith a copy of CVC circular No.06/5/21 dated 03.06.2021 regarding adoption of Integrity Pact-SOP and to say that with the concurrence of Central Vigilance Commission, the following persons have appointed as Independent External Monitor for Ministry of Education:

- (i) Shri Anil Kaushal, ITS(Retd.)  
 A-1/245, GF-Janakpuri,  
 New Delhi-110058  
 E-mail: kaushal.anil17@gmail.com
- (ii) Smt. Seema Bahuguna, IAS (Retd.)  
 E-12/7, Vasant Vihar,  
 New Delhi-110057  
 E-mail: bahugunaseema@gmail.com

2. In this context Para 2(ii) of Department of Expenditure's O.M. No.14(12)/2008-EII(A) dated 20.7.2011 provides that "*Ministries/ Departments may, in consultation with the respective Financial Adviser and with the approval of Minister-in-Charge, decide on and lay down the nature of procurements/contracts and the threshold value above which the Integrity Pact would be used in respect of procurement transactions/contracts concluded by them or their attached/subordinate offices.*" Accordingly, with the approval of the Competent Authority, the following threshold value has been decided:

- (i) All Autonomous Bodies: Rs. 1.00 Crore
- (ii) Department: Rs. 30.00 Lakh

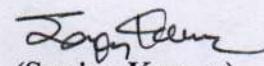
3. As per para 3.5 of the CVC circular No.06/5/21 dated 03.06.2021, the Purchase/procurement wing of the organization would be the focal point for the implementation of Integrity Pact. Form of Integrity Pact as vetted by Ministry of Law is enclosed herewith for the use of Bureau proposing to undertake procurement/contract above the aforesaid threshold value. The Pact 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. A summary of procurement/contract awarded, which are covered under the Integrity Pact shall be compulsorily shared with the Independent External Monitors on

quarterly basis, during the meeting. Based on the specific requirement of the organization and no. of tenders floated, the meetings may be held on monthly or bi-monthly basis, instead of quarterly periodicity. A communication regarding terms and conditions for appointment of IEM is being issued separately.

4. It is requested that all autonomous institutions under the administrative control of respective Bureaus may also be advised to implement system of Integrity Pact in their organizations by appointing Independent External Monitors. Such institutions may be advised to send a proposal together with a panel of names either from the panel of the Central Vigilance Commission available on website of Commission under the link <http://www.cvc.nic.in/panel-iems> or otherwise as per eligibility laid down vide Commission's Circular No.02/01/2017 dated 13/01/2017 for appointment of IEM. Form of 'Confidentiality Agreement' and 'Declaration of Absence of conflict of Interest' are also enclosed alongwith 'Form of Integrity Pact' and may be further circulated among these institutions for their use.

5. This issues with the approval of IFD/MoE vide their Dy. No.467 dated 06/10/2021.

Encl: As above.

  
(Sanjay Kumar)

Under Secretary to the Govt. of India

To,

All Bureau Heads, Ministry of Education

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

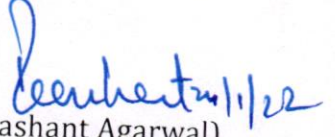
**Subject: Guidelines issued by Vigilance Division, Ministry of Education regarding integrity pact and appointment of IEM.**

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



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,  
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110023  
Satarkta Bhawan, G.P.O. Complex,  
Block A, INA, New Delhi-10023

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.