

INDIA SECURITY PRESS
(A Unit of Security Printing and Minting Corporation of India Limited)
Wholly owned by Government of India
Nashik Road –422 101 (Maharashtra)

Tel No 00 91 253 2402200
Fax No 00 91 253 2462718
Email:purchase.isp@spmCIL.com
Website:http://ispnasik.spmCIL.com

Security Classification: Security item

GLOBAL PRE-QUALIFICATION BID (PQB) NOTICE FOR PROCUREMENT OF " ICAO COMPLIANT ELECTRONIC CONTACTLESS INLAYS ALONG WITH ITS OPERATING SYSTEM" REQUIRED FOR MANUFACTURE OF INDIAN e-PASS PORTS.

PQB Tender No. 072/2014

dated: 18/07/2014

This Tender Document Contains _____ Pages.

Tender Documents is sold to:

M/s_____
Address_____

Details of Contact person in SPMCIL regarding this tender:

Name, Designation: V. Kiran Kumar, Deputy Manager (Materials)

Address: India Security Press,
Nashik Road-422 101
Maharashtra
India

Phone: + 91 253-2402219
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Note: The word " SPMCIL " in this SBD hereinafter is referred to as " India Security Press, a unit of SPMCIL. "

Section I: Notice Inviting Tender (NIT)

INDIA SECURITY PRESS

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Global PQB Notice No: 072/2014
(Tender SI No.)

18/07/2014
(Date)

1. Sealed tenders are invited from eligible bidders for supply of following goods & services:

Schedule No.	Brief Description of Goods/ services	Quantity (with unit)	Remarks
1	ICAO Compliant Electronic Contactless Inlay along with its operating system in 2 UPs for manufacture of Indian e-passports	<u>1,50,00,000 Nos.</u>	

Type of Tender (Two Bid/ PQB/ EOI/ RC/ Development/ Indigenization/ Disposal of Scrap/ Security Item etc.)	Pre Qualification Bid (Global/ International Competitive Bidding)
Dates of sale of PQB documents:	From 18/07/2014 to 04/09/2014 during office hours
Place of sale of PQB documents	Purchase Section, India Security Press, Nashik Road-422 101, Maharashtra, India
Cost of the PQB document	₹ 11550 or € 150 or \$ 200
Closing date and time for receipt of tenders	05/09/2014 up to 1430 Hrs
Place of receipt of tenders	India Security Press, Nashik Road-422 101, Maharashtra, India
Time and date of opening of tenders	1500 Hours on 05/09/2014
Place of opening of tenders	Purchase Section, India Security Press, Nashik Road-422 101, Maharashtra, India
Nominated Person/ Designation to Receive Bulky Tenders (Clause 21.21.1 of GIT)	Manager (HR) India Security Press, Nashik Road-422 101, Maharashtra, India

2. Interested bidders may obtain further information about this requirement from the above office selling the documents. They may also visit our website mentioned above for further details.
3. If requested, the tender documents will be mailed by registered post/ speed post to the domestic bidders and by international air-mail to the foreign bidders, for which extra expenditure per set will be ₹ 200 for domestic post and € 15 or \$ 20 for international air-mail.
4. Bidder may also download the tender documents from the web site <http://ispnasik.spmcil.com> and submit its tender by utilizing the downloaded document.
5. Bidders shall ensure that their bids, duly sealed and signed, complete in all respects as per instructions contained in the Tender Documents, are dropped in the tender box located at the address given below on or before the closing date and time indicated in the Para 1 above, failing which the tenders will be treated as late and rejected.
6. In the event of any of the above mentioned dates being declared as a holiday/ closed day for the purchase organisation, the tenders will be sold/ received/ opened on the next working day at the appointed time.
7. The tender documents are not transferable.
8. The Bidders are required to submit all essential documents as per Section II, Eligibility Criteria along with the bid, failing which the tenders shall be evaluated and decided on the basis of the documents available with the bid. Further correspondence in this regards will not be entertained.
9. Content of Tender Documents: The tender document includes:
 - (a) Section I : Notice inviting tender
 - (b) Section II : Eligibility Criteria
 - (c) Section III : General Instructions for the bidders
 - (d) Section IV : Application for Pre-qualification
 - (e) Section V : Form of Manufacturer' s authorization letter
 - (f) Section VI : Integrity Pact
 - (g) Section VII : List of Independent Monitors

DEPUTY MANAGER (MATERIALS)
FOR GENERAL MANAGER
INDIA SECURITY PRESS,
NASHIK
Phone No 0253 2402219/ 2465583

Address for dropping the tender documents
GREEN GATE
INDIA SECURITY PRESS,
NASHIK ROAD-422 101
MAHRASHTRA, INDIA

Section II: Eligibility Criteria

1. The Bidder firm should meet following eligibility criteria to qualify in the prequalification bid:
 - (a) Experience and past performance: The bidder firm should have manufactured and supplied at least "3.6 Million Nos. of Electronic Contactless Inlays in 1 UP" OR "1.8 Million Nos. of Electronic Contactless Inlays in 2 UP" OR "1.2 Million Nos. of Electronic Contactless Inlays in 3 UP" for manufacturing of e-passports in any one year during last five years i.e. from 01st January 2009 to 31st December 2013.
 - (b) Capability, equipment and manufacturing facilities:
 - i) The Bidder firm must have an annual capacity to manufacture and supply at least "3.6 Million Nos. of Electronic Contactless Inlays in 1 UP" OR "1.8 Million Nos. of Electronic Contactless Inlays in 2 UP" OR "1.2 Million Nos. of Electronic Contactless Inlays in 3 UP" for manufacturing of e-passports.
 - ii) The Inlays manufacturer should have supplied Inlays directly to a passport manufacturing agency (whether Government or Private) for making e-passports to at least two countries during last five years, i.e. from 01st January 2009 to 31st December 2013
Note: "Manufacturer of Inlays" defined as "the firm who has manufacturing facilities & technologies to assemble the Chip, Antenna & Seamless integration of the same and supply the final product along with the operating system".
 - (c) Financial standing:
 - (i) Average Annual Turnover of the Bidder firm during last three years i.e. 2011, 2012 and 2013 in case the financial year is maintained calendar year wise or 2011-2012, 2012-2013 and 2013-14 in case financial year maintained ending 31 March of a year, should be more than ` 40.50 Crores or € 49,39,000 or \$ 67,50,000
 - (ii) Bidder firm should not have suffered any financial loss for more than one year during last three years i.e. 2011, 2012 and 2013 in case the financial year is maintained calendar year wise or 2011-12, 2012-13 and 2013-14 in case financial year is maintained ending 31 March of a year.
 - (iii) The net worth of the bidder firm should not have eroded by more than 30% in last three years i.e. 2011, 2012 and 2013 in case the financial year is maintained calendar year wise or 2011-12, 2012-13 and 2013-14 in case financial year is maintained ending 31 March of a year.

2. The bidder shall provide the details of the ownership of the company and details of owners/ directors along with complete addresses of the owners/ directors and their other activities. If the company is owned by another company similar details of the owner should be provided. The details are to be provided as per the format given under:

(A) DETAILS OF THE COMPANY / FIRM:

S.No.	NAME OF THE FIRM / BIDDER	ADDRESS OF REGISTERED OFFICE	DATE OF INCORPORATION

(B) DETAILS OF DIRECTORS / KEY EXECUTIVE:

S.No.	NAME/ PARENTAGE	DATE OF BIRTH	PRESENT POSITION HELD	COMPLETE ADDRESS WITH TELEPHONE NUMBER, FAX AND E-MAIL ID

3. All experience, past performance and capacity/ capability related data must be certified by the authorized signatory of the bidder firm.
4. The bidder has to submit a copy of audited financial documents (Balance sheets, Profit & Loss account statement, etc), in support of clause no. 1(c) above.

In case the bidder is unable to submit the audited financial documents for the year 2013/2013-14, alternatively, the bidder can submit the details of the financial data in support of clause no. 1 (c) above, as per the following table duly certified by the independent Chartered Accountant or Certified Public Accountant.

Sl No	Financial year	Annual Turnover (in.....)	Profit/ Loss (in.....)	Net worth (in.....)	Remarks
(a)	2011/ 2011-2012				
(b)	2012/ 2012-2013				
(c)	2013/ 2013-2014				

In such case, the bidder who is PQB Qualified and Security Cleared, shall be asked to submit the copy of audited financial documents (Balance sheets, Profit & Loss account statement, etc) for the year 2013/2013-14 before the issue of Techno-Commercial bid. If the submitted documents do not comply with the clause no. 1 (c) above, such bid shall be summarily rejected.

All the above financial data has to be duly certified by certified accountants e.g. Chartered Accountants (CA) in India and Certified Public Accountant/ Chartered Accountant in other countries. The financial data and documents certified by any other authority shall not be accepted.

5. Other Eligibility requirements for the Bidders:
- (i) The bidder shall provide names of organization(s)/ firm(s) with addresses and telephone numbers, fax numbers, email addresses to which they have manufactured and supplied such Inlays during the last five years.
 - (i) The application should be submitted in English Language. The authenticated copies of the documents in support of the applicant' s claims may be submitted in English language.
 - (e) The bidder shall indicate/ certify that authorized signatory is competent and legally authorized to submit the tender and/ or to enter into legally binding contract.
 - (f) Manufacturers/ manufacturers under license or their authorized dealers who are exclusively appointed by the principal manufacturer to represent them in the country shall be eligible to apply or to take part in the bid. One manufacturer can authorize only one agent/ dealer. There can be only one bid from:
 - (i) The principal manufacturer directly or through one Indian agent on his behalf or
 - (ii) The foreign principal or any of its branch/ division or
 - (iii) Indian/ Foreign Agent on behalf of only one Principal.
 - (g) Principal manufacturer should meet all the Qualifying/Eligibility Criteria. Agent shall be required to furnish necessary details as laid down in para 2 above for security clearance.
 - (h) Manufacturer' s Authorisation Letter: In case the bidder firm/ bidder offers to supply " ICAO Compliant Electronic Contactless Inlays along with operating system for the manufacture of e-passports" , which is manufactured by some other firm, the bidder has to be duly authroised by the manufacturer of the stated material to quote for and supply the same to India Security Press, a unit of SPMCIL. The bidder shall submit the manufacturer' s authorization letter to this effect as per the standard form provided under Section V in this document.
 - (i) If an agent is participating on behalf of a Manufacturer with the support of Manufacturer Authorization Certificate, the above said eligibility criteria should be complied by Manufacturer only but not by the Agent. Also Order shall be placed on the successful Principal Manufacturer only.
 - (j) The bidder must either have a valid SCOSTA-CL compliance certificate from NIC in its own name or must have applied for the same, in which case it shall be responsibility of bidder to produce the certificate during Technical Evaluation Process.

- (k) The bidder shall confirm that the chip operating system and chip hardware shall be compatible for security test as a composite product as per SCOSTA-CL prescribes standards.

Section III: General Instruction for the Bidders

- (a) The chip operating system of the proposed inlay product must comply to following standards
 - 1. Latest SCOSTA – CL standards (Open Standard available at <http://scosta.gov.in>).
 - 2. ICAO 9303 Standards (Latest).
- (b) Only those bidders found eligible in the Pre-qualification Bid and security cleared by Government of India will be issued tender documents and detailed specifications. Such bidders shall be asked to submit the EMD along with the techno-commercial bids valid as per the Pre Bid/Pre-Contract Integrity Pact.
- (d) The applications as per enclosed format are to be submitted in a sealed cover superscribing on the top of the cover “ Pre-qualification bid document for the manufacture and supply of ICAO compliant Electronic Contactless Inlay along with its operating system for manufacturing of Indian e-Passports due on 05/09/2014” and to be submitted to the General Manager, India Security Press, Nashik Road-422 101, Maharashtra, India by 1430 Hours (IST) on or before DD/MM/2014.
- (e) Applications received after the due date and time shall be summarily rejected. The responsibility to submit PQB before the due date and time rests with Bidder and ISP will not entertain any explanation/ reason for late submission.
- (f) India Security Press Nashik will not be responsible for any kind of delay in delivery of bids.
- (f) The bidder is required to submit the undertaking that “ the information given in the documents are correct and the bidder is aware that in case any information provided is found to be false at a later stage, India Security Press Nashik reserves the right to reject/ disqualify the bidder at any stage of the tendering process without assigning any reason” .
- (g) Whenever there is any change in the Board of Directors, promoters or location of the company, it would be obligatory on the part of the Bidder company to inform India Security Press, Nashik for seeking a fresh security clearance
- (h) The credentials regarding experience and past performance to the extent required as per eligibility criteria submitted by bidder shall be verified from the parties for whom work has been done.
- (i) PARALLEL CONTRACTS: The Bidder must quote for minimum 25% of the tendered quantity. The purchaser reserves the right to place

parallel contracts on one or more firms up to maximum three firms, without any prejudice to the capacity of the L1 bidder, as given below.

1. The rate quoted by L1 bidder will be counter offered to L2, L3 bidders and, if agreed, orders shall be placed at a ratio L1:L2:L3 = 50:30:20 of the total tendered quantity. Non acceptance of Counter offer by L2 and or L3 bidder, the same shall be counter offered to L4, L5 and so on at the sole discretion of the purchaser.
 2. If in any case only one bidder accepts to match the rates of L1 bidder, then the orders shall be placed at a ratio 60:40 among the two bidders at the sole discretion of the purchaser.
- (j) The bidder should confirm the possession of adequate material security arrangements to protect the integrity of the security features and should have written security plan for their storage and accounting.
- (k) The bidder is required to submit the "Pre Bid/Pre Contract Integrity Pact" duly filled and signed on all pages. In case the bidder is relying on the financial credentials of its holding company/parent company, such holding/parent company shall also has to submit the "Pre Bid/Pre Contract Integrity Pact" duly filled and signed on all the pages. Any bids received without the Integrity pact will be summarily rejected. The format of the same is provided at Section VI.

Section IV: Application for Pre-qualification:

Manufacture and supply of "ICAO Compliant Contactless Electronic Inlay along with Operating System" for Manufacture of Indian e-Passports.

PQB NO. 072/2014 dated 18/07/2014

2. Name and address of the Company/ Firm/ Organisation.

3. Is the Company/ Firm/ Organisation manufacturing and supplying ICAO Compliant Contactless Electronic Inlay along with Operating System for the production of e-passports for the last five years? If not, specify since when you are in business of manufacturing and supplying of ICAO Compliant Contactless Electronic Inlay along with Operating System.

4. The installed capacity and production capacity of the Bidder firm to manufacture and supply ICAO Compliant Contactless Electronic Inlay along with Operating System:

(a) Installed capacity:

(b) Production capacity:

5. Quantities ICAO Compliant Contactless Electronic Inlay along with Operating System manufactured and supplied during last five years.

Sl No	Year	Quantity of ICAO Compliant Contactless Electronic Inlay along with Operating System supplied		Quantity of ICAO Compliant Contactless Electronic Inlay along with Operating System supplied to own countries (5)	Total ICAO Compliant Contactless Electronic Inlay along with Operating System supplied (6=3+5)
		Quantity (in sheets) (3)	Country (4)		
(1)	(2)	(3)	(4)	(5)	(6)
(a)	01 January 2009 to 31 December 2009				
(b)	01 January 2010 to 31 December 2010				
(c)	01 January 2011 to 31 December 2011				
(d)	01 January 2012 to 31 December 2012				
(e)	01 January 2013 to 31 December 2013				

6. Financial details for last three years (to be certified by independent CA/ CPA)

Sl No	Financial year	Annual Turnover (in.....)	Profit/ Loss (in.....)	Net worth (in.....)	Remarks
(a)	2011/ 2011-2012				
(b)	2012/ 2012-2013				
(c)	2013/ 2013-2014				

7. Following undertakings are to be enclosed with application:

- (a) The authorized signatory is competent and legally authorized to submit the tender and/ or to enter into legally binding contract.
- (b) Undertaking not to reveal the specifications etc. of the Inlays for Indian e-passport, contained in the main tender documents to any third party.
- (c) The undertaking that the information given in the documents are correct and the Bidder is aware that in case any information provided is found to be false at a later stage, ISP reserves the right to reject/ disqualify the bidder at any stage of the tendering process without assigning any reason.
- (d) The declaration that the firm has not been blacklisted/ debarred by any government agency anywhere in the world.
- (e) Undertaking not to supply India specific Inlay to any other third party/country and that it will be responsible to maintain secrecy, security and exclusivity in case a contract is awarded.
- (f) Undertaking accepting all terms and conditions of PQB and abide by it without any counter conditions.
- (g) Duly signed " Pre Bid/ Pre Contract Integrity Pact" is enclosed.

Signature of Authorized Person

Name

Designation

Date

Seal of the company

Section V: Manufacturer' sAuthorization Form

To

.....
.....

(Name and address of SPMCIL)

Dear Sirs,

Ref. Your Tender document No....., dated

We,, who are proven and reputable manufacturers of (name and description of the goods offered in the tender) having factories at....., hereby authorize Messrs..... (name and address of the agent) to submit a tender, process the same further and enter into a contract with you against your requirement as contained in the above referred tender enquiry documents for the above goods manufactured by us.

We further confirm that no supplier or firm or individual other than Messers..... (name and address of the above agent) is authorised to submit a tender, process the same further and enter into a contract with you against your requirement as contained in the above referred tender enquiry documents for the above goods manufactured by us.

We also hereby extend our full warranty, as applicable as per clause of the General Conditions of Contract read with modification, if any, in the Special Conditions of Contract for the goods and services offered for supply by the above firm against this tender document.

Yours faithfully,

.....
.....

[signature with date, name and designation]

for and on behalf of Messrs.....

[name & address of the manufacturers]

Note: This letter of authorisation should be on the letter head of the manufacturing firm and should be signed by a person competent and having the power of attorney to legally bind the manufacturer."

Section VI: Pre-bid/ Pre-Contract Integrity Pact

(To be signed on Plain Paper)

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on ____ day of the month of ____ 2014 at New Delhi, India.

BETWEEN

The Chairman and Managing Director, Security Printing and Minting Corporation of India Limited acting through, General Manager, India Security Press, Nashik, (hereinafter called the "BUYER", which expression shall mean and include unless the context otherwise requires his successors in office and assigns) of the First Part

AND

M/s _____ represented by Mr. _____, Chief Executive Officer (hereinafter called the BIDDER/ SELLER which expression shall mean and include unless the context otherwise requires his successors and permitted assigns) of the Second Part.

PREAMBLE

WHEREAS the BUYER proposes to procure (Name of the Stores / Equipment/ item) and the BIDDER/ SELLER is willing to offer / has offered the stores 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 Company wholly owned by Government of India on behalf of its Chairman and Managing Director.

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 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 distortion 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:

Commitments of the BUYER

1.1 The BUYER undertakes that no official of the BUYER connected directly or indirectly with the contract will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER either for themselves or for any person, organization or third party related to the contract in exchange for any advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.

1.2 The BUYER will during the pre-contract stage treat all BIDDERS alike and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.

1.3 All the officials of the BUYERS will report to the General Manager of any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER, necessary disciplinary proceedings or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the BUYER, the proceedings under the contract would not be stalled.

Commitments of BIDDERS

3. 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:

3.1.1 The BIDDER will not offer directly or through intermediaries any bribe, gift consideration, reward, favour, any material or immaterial benefit, other advantage, commission, fees, brokerage or inducement to any official of the BUYER connected directly or indirectly with the bidding process or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

3.1.2 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 of 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 disfavor to any person in relation to the contract or any other contract with Government/ buyer.

3.1.3 BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principals or associates.

3.1.4 BIDDERS shall disclose the payments to be made by them to agents/ brokers or any other intermediary in connection with this bid/ contract.

3.1.5 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract shall disclose any payment he has made is committed to or intends to make to officials of the BUYER or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.

3.1.7 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.

3.1.8 The BIDDER will not accept any advantage in exchange for any corrupt practice unfair means and illegal activities.

3.1.9 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.

3.1.10 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.

3.1.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

3.1.12 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 6 of the Companies Act, 1956.

3.1.13 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings of transaction directly or indirectly with any employee of the BUYER.

4. Previous Transgression

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

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

5. Earnest Money (Security Deposit)

5.1 While submitting commercial bid, the BIDDER shall deposit an amount specified in section VI: List of Requirements as Earnest Money in the form mentioned in Clause 18 of section II General Instructions to the Tenderers (GIT), with the BUYER.

5.2 The Earnest Money shall be valid up to a period of SIX months from the date of validity of tender.

Performance Bond/Security Deposit: - Shall be valid upto complete conclusion of contractual obligation to complete satisfaction of both bidder and buyer including warranty period.

5.3 In case of successful BIDDER a clause would also be incorporated in the clause pertaining to Security Deposit/ 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 reasons for imposing sanction for violation of this pact. The Security Deposit/ Performance Bond shall be valid for five years or the complete conclusion for the contractual obligations to the complete satisfaction of both the BIDDER and the BUYER, including warranty period whichever is later.

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

6. Sanctions for Violations

6.1 Any breach of the aforesaid provisions by the BIDDER or any one 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 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 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 Government of India for a minimum period of five years, which may be further extended at the discretion of the BUYER.

(viii) To recover all sums paid in violation of this Pact by BIDDER(s) to any middlemen 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.

6.2 The BUYER will be entitled to take all or any of the actions mentioned at para 6.1 (i) to (x) of this Pact also on the Commission by the BIDDER or any one 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.

6.3 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.

7. Fall Clause

7.1 The BIDDER undertakes that it has not supplied/ is not supplying similar product/ systems or sub-systems at a price lower than that offered in the present bid in respect of any other customer in India, Ministry/ Department of the Government of India or PSU and if it is found at any stage that similar products/ systems or such systems was supplied by the BIDDER to any of these entities at a lower price than 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.

8. Independent Monitors

8.1 The BUYER has appointed independent Monitors (hereinafter referred to as Monitors) for this Pact in consultation with the Central Vigilance Commission. Names and Addresses of the Monitors are listed in NIT.

8.2 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.

8.3 The Monitor shall not be subject to instructions by the representatives of the parties and perform their functions, neutrally and independently.

8.4 Both the parties accept that the Monitors have the right to access all documents relating to project/ procurement, including minutes of the meeting.

8.5 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.

8.6 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 Subcontractor. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/ Subcontractor(s) with confidentiality.

8.7 The BUYER will provide to the Monitor sufficient information about all meetings among the parties related to the project provided subcontractor meeting would have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.

8.8 The Monitor will submit a written report to the designated Authority of BUYER/ Secretary in the Department/ within 8 to 10 weeks from the date of reference or intimation to him by the BUYER/ BIDDER and should the occasion arise submit proposals for correcting problematic situations.

9. Facilitation of Investigation

In case of any allegation of violation of any provisions of this Pact or payment of commission, the BUYER or its agencies shall be entitled to examine all the documents including the Book 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.

10. Law and Place of Jurisdiction

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

11. Other Legal Actions

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

12. Validity

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

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

13. The parties hereby sign this integrity pact at ____ on _____.

BUYER

BIDDER

(Name of the Officer)

(Name of the Officer)
CHIEF EXECUTIVE OFFICER

For and Behalf of the Chairman and
Managing Director

Designation

Witness

Witness

1. _____

1. _____

2. _____

2. _____

Section VII: List of Independent Monitors

SPMCIL has appointed following independent external monitors:

- 1) Sh. Y. PurushothamaRao,
18-B, pocket-A, Kondli,
SFS MayurVihar, Phase-III,
Delhi –110096.
- 2) Dr. Ketan K. Gokhale,
Flat No.1, Geetanjali Apartment,
59, Ideal Colony, Kothrud,
Pune –411038.