

PRE CONTRACT INTEGRITY PACT

(This has to be submitted in the non-judicial Stamp Paper)

1. GENERAL

1.1. This pre-bid contract Agreement (herein after called the Integrity Pact) is made on- _____ day of the month _____ 20____, between, the Karnataka Gramin Bank, a body corporate constituted under Banking Companies (Acquisition and transfer of undertakings), Act 1970 having its Head office at No.32, Sangankal Road, Ghandhinagar, Ballari-583103, Karnataka with branches spread over Karnataka (hereinafter referred to as BUYER which expression shall include its successors and assigns) acting through Shri_____, General Manager, HR Wing, HO, Ballari representing Karnataka Gramin Bank, of the BUYER, of the FIRST PART

AND

M/s. _____ represented by Shri _____ Chief Executive Officer/Authorised Signatory (hereinafter called the "BIDDER", which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns), of the SECOND PART

1.2. WHEREAS the BUYER proposes to procure (Group Medical Insurance Cover for Officers/Employees of Karnataka Gramin Bank) /engage the services and the BIDDER is willing to offer/has offered the Policy and

1.3. WHEREAS the BIDDER is a private company/ public company/Government undertaking/ partnership/ LLP/registered service provider, duly constituted in accordance with the relevant law governing its formation/incorporation/constitution and the BUYER is a body corporate constituted under Banking Companies (Acquisition and transfer of undertakings), Act 1970.

1.4. WHEREAS the BIDDER has clearly understood that the signing of this agreement is an essential pre-requisite for participation in the bidding process in respect of Policy proposed to be procured by the BUYER and also understood that this agreement would be effective from the stage of invitation of bids till the complete execution of the agreement and beyond as provided in clause 13 and the breach of this agreement detected or found at any stage of the procurement process shall result into rejection of the bid and cancellation of contract rendering BIDDER liable for any damages and costs incurred by the BUYER.

2. NOW, THEREFORE, the BUYER and the BIDDER agree to enter into this pre-contract integrity agreement, hereinafter referred to as Integrity Pact, which shall form part and parcel of RFPs also the contract agreement if contracted with BIDDER, in the event that the BIDDER turns out to be successful bidder, and it is intended through this agreement 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 Contract to be entered into with a view to:-

2.1. Enabling the BUYER to obtain the desired Policy 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

2.2. Enabling BIDDER to refrain from bribing or indulging in any corrupt practices in order to secure the contract, by providing assurance to them that the BUYER shall not be influenced in any way by the bribery or corrupt practices emanating from or resorted to by their competitors and that all procurements shall be free from any blemish or stain of corruption and the BUYER stays committed to prevent corruption, in any form, by its officials by following transparent procedures

- 2.3. In case, the BIDDER entity gets merged or amalgamated with some other entity, then the new entity must oblige to provide the same level of services to the insured.

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

3. COMMITMENTS OF THE BUYER

The BUYER commits itself to the following: -

- 3.1. The BUYER represents that all officials of the BUYER, connected whether directly or indirectly with the procurement process are duty bound by rules and regulations governing their service terms and conditions not to demand, take promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.
- 3.2. 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 the other BIDDERS.
- 3.3. The BUYER shall report to the appropriate Government Regulators/Authorities any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach, as and when the same is considered necessary to comply with the law in force in this regard.

In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with the 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.

4. COMMITMENTS OF BIDDER

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:-

- 4.1. 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, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

- 4.2. 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 for procuring the Contract or for forbearing to do or for having done any act in relation to the obtaining or execution of the contract or any other contract with the BUYER or for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the BUYER.
- 4.3. The BIDDER further confirms and declares to the BUYER that the BIDDER is the original Authorized IRDAI Policy Provider 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.
- 4.4. 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.
- 4.5. 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.
- 4.6. The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities emanating from other competitors or from anyone else.
- 4.7. The BIDDER shall not use improperly, for purpose 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 proposal 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.
- 4.8. The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
- 4.9. The BIDDER shall not instigate or cause to instigate any third person to commit any of the acts mentioned above.

5. PREVIOUS TRANSGRESSION

- 5.1. 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 Bank, Public Sector Enterprise/Undertaking in India or any Government Department in India that could justify BIDDER's exclusion from the tender process.
- 5.2. If the BIDDER makes incorrect statement on this subject, BIDDER can be disqualified from the tender/bid process or the contract, if already awarded, can be terminated for such reason.

6. SANCTIONS FOR VIOLATIONS

- 6.1. Any breach of the provisions herein contained 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. To cancel all or any other contracts with the BIDDER and 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.
 - iii. To debar the BIDDER from participating in future bidding processes of the BUYER for a minimum period of five years, which may be further extended at the discretion of the BUYER.
 - iv. To recover all sums paid in violation of this Pact by BIDDER to any middlemen or agent or broker with a view to securing the contract.
 - v. Forfeiture of The 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.
 - vi. 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, and if he does so, the BUYER shall be entitled forthwith to rescind the contract and all other contracts with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.
- 6.2. The BUYER will be entitled to take all or any of the actions mentioned at para 6.1 (i) to (vi) of this Pact, also in the event of 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.
- 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 External 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 policy/s at a price lower than that offered in the present bid to any other Bank or PSU or Government Department or to any other organization/entity whether or not constituted under any law and if it is found at any stage that similar policy/s was supplied by the BIDDER to any other Bank or PSU or Government Department or to any other organization/entity whether or not constituted under any law, 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.

8. INDEPENDENT EXTERNAL MONITORS

- 8.1. The BUYER has appointed two Independent External Monitors (hereinafter referred to as Monitors) for this Pact in accordance with the recommendations and guidelines issued by Central Vigilance Commission.
- 8.2. The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.

- 8.3. The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.
- 8.4. Both the parties accept that the Monitors have the right to access all the documents relating to the project/procurement, including minutes of meetings. The Monitors shall on receipt of any complaint arising out of tendering process jointly examine such complaint, look into the records while conducting the investigation and submit their joint recommendations and views to the Management and Chief Executive of the BUYER. The MONITORS may also send their report directly to the CVO and the commission, in case of suspicion of serious irregularities.
- 8.5. As soon as any event or incident of violation of this Pact is noticed by the Monitors, or Monitors have reason to believe, a violation of this Pact, they will so inform the Management of the BUYER.
- 8.6. The BIDDER(s) accepts that the Monitors have the right to access without restriction to all Procurement documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the Monitors, upon their request and demonstration of a valid interest, unrestricted and unconditional access to his documentation pertaining to the procurement for which the RFP/Tenders/Bid is being /has been submitted by BIDDER. The Monitors shall be under contractual obligation to treat the information and documents of the BIDDER with confidentiality.
- 8.7. The BUYER will provide to the Monitors sufficient information about all meetings among the parties related to the procurement provided such meetings could have an Impact on the contractual relations between the parties. The parties may offer to the Monitors the option to participate in such meetings.
- 8.8. The Monitors will submit a written report to the BUYER at the earliest from the date of reference or intimation to him by the BUYER/BIDDER and 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 Books of Accounts of the BIDDER and the BIDDER shall provide necessary information of the relevant documents and shall extend all possible help for the purpose of such examination, LAW AND PLACE OF JURISDICTION

This Pact is subject to Indian Law and the place of jurisdiction is Bengaluru.

10. 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 any other law in force relating to any civil or criminal proceedings.

11. VALIDITY

11.1. The validity of this Integrity Pact shall be from the date of its signing and extend up to 5 years or such longer period as mentioned in RFP/Contract or the complete execution of the contract to the satisfaction of the BUYER 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.

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

12. The parties hereby sign this Integrity Pact at on

BUYER
Name of the Officer
Designation
Name of Wing
Karnataka Gramin Bank

BIDDER
CEO/Authorized Signatory

Witness

Witness

1)

1)

2)

2)