

ITEM NO. 21 (S-09)

1. **Subject:** Adoption of Integrity Pact in tendering matter in NDMC.
2. **Name of the Department:** Vigilance Department
3. **Brief History of the Subject:**

Transparency International a Non-Governmental Organization has alongwith the Central Vigilance Commission and the D/o Personnel and Training, Govt. of India promoted a vigilance measure, called the Integrity Pact.

The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer committing the persons/officials of both the parties, not to exercise any corrupt influence on any aspect of the contract. Only those vendors/bidders who have entered into such an Integrity Pact with the buyer would be competent to participate in the bidding. In other words, entering into this Pact would be a preliminary qualification. The Integrity Pact in respect of a particular contract would be effective from the stage of invitation of bids till the complete execution of the contract.

The Integrity Pact envisages a panel of Independent External Monitors (IEMs) approved for the organization. The IEM is to review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact. He has right of access to all project documentation. The Monitor may examine any complaint received by him and submit a report to the Chief Executive of the Organization, at the earliest. He may also submit a report directly to the CVO and the Commission, in case of suspicion of serious irregularities attracting the provisions of the PC Act. However, even though a contract may be covered by an Integrity Pact, the Central Vigilance commission may, at its discretion, have any complaint received by it relating to such a contract, investigated. This is a step towards proactive preventive vigilance and best standards/practices to be followed by prestigious bodies such as PUSs.

4. **Details of the Case:-**

With a view to ensure transparency, equity and competitiveness in public procurement Central Vigilance Commission vide its instructions dated 04.12.2007 has given a concept of Integrity Pact that essentially envisages in agreement between the prospective vendors/bidders and the buyer committing the persons/officials of both the parties not to exercises any corrupt influence on any aspect of the contract entering into this Pact would be a preliminary qualifications. The Integrity Pact in respect of a

Particular contract would be effective from the stage of invitation of bids till the complete executive of contract.

Proposal is for adoption of Integrity Pact and appointment of Independent External Monitors (IEMs) in case of contracts entered into by NDMC.

A model Integrity Pact that has been implemented by Steel Authority of India Ltd. (SAIL) and has been circulated alongwith instructions of CVC may also be adopted in NDMC in case of contract having threshold value more than Rs. one crore.

6. Financial Implication:

There will be certainly financial implications that will be decided on case-to-case basis depending upon the amount of contract.

7. Implementation schedule:

Implementation schedule as soon as it is approved by New Delhi Municipal Council. It will be implemented by all the departments in case of contracts having the threshold value of Rs. 50 lakhs or more.

8. Comments of the Finance:

N.A.

9. Legal Implication:

N.A.

10. Details of previous Council Resolution:

N.A.

11. Comments of the Department on the Comments of the Law Department:

N.A.

12. Final view of the Law Department:

N.A.

13. CVC Advice:

No advice as such. But as per instructions issued it has been enjoined on all organizations to make sincere and sustained efforts to imbibe the spirit and principles of the Integrity Pact and carry it to its effective implementation.

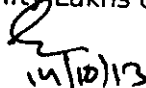
Recommendation:

It is proposed to pass the resolution as under:-

Adoption of Integrity Pact and Independent External Monitors (IEMs) in case of contracts Entered into by NDMC having a threshold value more than Rs. Fifty Lakhs or more.

COUNCIL'S DECISION

Resolved by the Council to accord approval for adoption of Integrity Pact and Independent External Monitors (IEMs) in cases of contracts Entered into by NDMC having a threshold value of more than Rupees Fifty Lakhs or more.


14/10/13

For Secretary

New Delhi Municipal Council
Palika Kendra, New Delhi