

CORRUPT, FRAUDULENT, COLLUSIVE OR COERCIVE PRACTICES

It is expected from the bidders that they will observe the highest standard of ethics during the tendering process and execution of such contract in pursuance to above:

- (a) For the purpose of this provision, the terms set forth below shall mean as under:
 - (i) “Corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution; and
 - (ii) “fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Purchaser, and includes collusive practice among Bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Purchaser of the benefits of free and open competition;
 - (iii) “collusive practice” means a scheme or arrangement between two or more bidders, with or without the knowledge of the Purchaser, designed to establish bid prices at artificial, non-competitive levels; and
 - (iv) “coercive practice” means harming or threatening to harm, directly or indirectly, person or their property to influence or affect the execution of a contract;
 - (v) An agreement called Integrity Pact between the prospective bidders and the Employer shall be signed committing the persons / officials of both the parties, not to exercise any corrupt influence on any aspect of the Tender / Contract. The Independent External Monitor(s) (IEM) appointed by Employer shall oversee the compliance of obligation under the Integrity Pact.
 - (vi) The Independent External Monitor(s) (IEM) means External Monitors appointed by Employer to oversee the implementation of Integrity Pact

- (b) A Bid may be rejected by the Employer if it is determined at any stage that the respective Bidder has engaged in corrupt or fraudulent or collusive or coercive or undesirable or restrictive practices or default commitment under Integrity Pact in competing for the contract in question.

- (c) The Employer may declare a firm ineligible, either indefinitely or for a stated period of time, if it at any time determines that the firm has engaged in corrupt

or fraudulent or collusive or coercive practices in competing for or default commitment under Integrity Pact or in executing the contract.

(d) **BANNING OF BUSINESS DEALINGS:** It is not in the interest of NHDC to deal with Agencies who commit deception, fraud or other misconduct in the tendering process. The grounds on which Banning of Business Dealings can be initiated are as follows:

- i) If the security consideration, including questions of loyalty of the Agency to NHDC so warrants;
- ii) If the director/owner of the Agency, proprietor or partner of the firm, is convicted by a court of law for offences involving moral turpitude in relation to its business dealings with the Government or any other public sector enterprises, during last five years;
- iii) If business dealings with the Agency have been banned by the Department of Power, Government of India;
- iv) If the Agency has resorted to corrupt, fraudulent practices including misrepresentation of facts;
- v) If the Agency uses intimidation/ threatening or brings undue outside pressure on NHDC or its official for acceptancy/ performances of the job under the contract;
- vi) If the Agency misuses the premises or facilities of the NHDC, forcefully occupies or damages the NHDC's properties including land, water resources, forests/ trees or tampers with documents/ records etc. (Note : The examples given above are only illustrative and not exhaustive. The Competent Authority may decide to ban business dealing for any good and sufficient reason).

The procedure for banning of Business Dealings shall be governed as per NHDC's "Policy & Procedure for Banning Business Dealings".

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