

INTEGRITY PACT IN NEW MANGALORE PORT TRUST

The Central Vigilance Commission (CVC) has been promoting integrity, transparency, equity and competitiveness in transactions by various organizations of the Government of India. Public procurement is an area of concern for the CVC, and many steps have been taken to put proper systems in place. One of the latest initiatives of the Central Vigilance Commission to eradicate corruption in procurement activity is introduction of the Integrity Pact in large valued contracts in all Government Organizations. Integrity Pact (IP) is a tool conceptualized and promoted by Transparency International, an international NGO, aimed at preventing corruption in public contracting, has been found useful.

It has been decided by Ministry of Shipping that all organizations under the Ministry will implement IP. IP should cover every tender / procurement above a specified threshold value. The threshold value of contracts / procurements / transactions incorporating IP would be such that it covers 95% by value of all contracts / procurements / transactions of the organization in the last 3 years. Presently the threshold is fixed as Rs. One Crore. IP essentially envisages an agreement between prospective vendors / bidders and New Mangalore Port Trust (NMPT), committing the persons / officials of both sides not to resort to any corrupt practice in any aspect of the contract at any stage. Only those vendors / bidders, who commit themselves to IP with NMPT, would be considered competent to participate in the bid process. Any violation would entail disqualification of the bidders and exclusion from future business dealings. IP, in respect of a particular contract should cover all phases of the contract, from the stage of Notice inviting Tender (NIT) / pre-bid stage, till the conclusion of the contract, i.e. final payment or the warranty / guarantee period. IP would be implemented through Independent External Monitor (IEM), who are eminent persons appointed by the organization, with approval of CVC. An IEM can have a maximum tenure of five years in an organization with an initial term of three years and another term of two years. Name of the IEM will be mentioned in Tender document. The IEM would review independently and objectively assess, as to whether and to what extent parties have complied with their obligations under the IP. IEM would have access to all contract documents, whenever required. The bidders may raise disputes / complaints if any, with the IEM. The IEM would examine complaints received by them and give their recommendations / views to the Chairman of NMPT. Recommendations of IEM would be in the nature of

advice and would not be legally binding. Their role is independent in nature and the advice once tendered would not be subject to review at the request of the organization.

Shri Lukose Vallatharai, IAS (Retd.) has been appointed as IEM by NMPT from 27.02.2014.