



THE SHIPPING CORPORATION OF INDIA LTD.

(Technical & Offshore Services Division)

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Nariman Point, Mumbai - 400 021

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No.SCI/T&OS/CSL/FDD/2022

28th March, 2022

ACQUISITION OF USED FLOATING DRYDOCK

- 1.0 M/s Cochin Shipyard Ltd. (CSL) Intends to acquire a used floating Dry-Dock (FDD) aged about 5–10 years old with a lifting capacity of about 5000 MT which can be positioned at Indira Dock, Mumbai Port Trust to cater dry-docking and repair of vessels during day and night.
- 1.1 The Shipping Corporation of India Ltd. (SCI) on behalf of CSL invites tender for acquisition of used floating dry-dock from global sellers/floating dry-dock Owners.
- 2.0 Brief "Technical Particulars" of the floating dry-dock as desired by CSL are enclosed at Enclosure – I. Bidders are requested to submit detailed offers for suitable floating dry-dock along with the duly filled in enclosed Technical Particulars Proforma.
- 2.1 Only those floating dry-docks which have been constructed at reputed and experienced shipyards will be considered.
- 2.2 The floating dry-dock should be 5 to 10 years old as on 01.04.2022. However, age of FDD more than 10 years and up to 15 years will also be considered but with suitable loading.
- 2.3 All LSA/ FFA equipment to be type approved by ROs (Recognized Organizations) of Indian Flag administration; bidder/ owner has to ensure this prior delivery of floating dry-dock to CSL.
- 2.4 Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority; kindly refer **Enclosure-II** for the detailed guidelines, procedure for registration and submission of Undertaking.
- 3.0 **SUBMISSION OF OFFER(S):**
- 3.1 The Offer for sale of the intended FDD shall be submitted by the Bidders in two separate envelopes as under:

- 3.2 **Part – I:** The detailed Technical Specifications to be submitted in a sealed envelope (Envelope – I) to be addressed to the Director (Technical & Offshore Services) at the above address. The Envelope shall be superscribed with:-

**“PART - I - TECHNICAL OFFER
ACQUISITION OF USED FLOATING DRY-DOCK”**

- 3.3 **Part – II:** The Commercial Offer is to be submitted in a sealed envelope (**Envelope - II**) to be addressed to the Director (Technical & Offshore Services) at the above address. The Envelope shall be superscribed with:-

**“PART-II - COMMERCIAL OFFER
ACQUISITION OF USED FLOATING DRY-DOCK”**

- 3.4 Please note that only Sealed Offers would be accepted and Offers submitted by fax / email will not be considered.

4.0 **DUE DATE AND TIME FOR SUBMISSION OF OFFER:**

- 4.1 Both the offers (i.e. Technical and Commercial) should be submitted not later than 1700 hours (IST) on 05.05.2022 which is the last prescribed date and time for receipt of the offers. The technical offers shall be opened on 06.05.2022 at 1100 hrs (IST). Bidders may depute their representatives and shall carry authorization letter (on owner’s official letter head) to attend technical bid opening meeting at following address or through video conference:

Conference room, 5th floor, T&OS Division,
The Shipping Corporation of India Ltd.,
Shipping House, 5th floor, 245, Madame Cama Road,
Nariman Point, Mumbai – 400 021, India

5.0 **The commercial offer should take into account the following:**

- a) **Price:** The price is to be quoted in US Dollars on 100% cash basis. The price should be **ALL INCLUSIVE**. Inclusive of sales tax/ VAT/ GST, and any other taxes, duties and levies as applicable.

The price is to be quoted as total price for the floating dry-dock for delivery at Mumbai, India and the onus of transporting the floating dock to Mumbai Port Trust including insurance during the transit would lie with the bidder.

- b) **Delivery:** The availability date of the floating dry-dock (charter free or with existing charter) should be indicated. However, it will be at the sole discretion of SCI & CSL whether to accept charter free delivery or with existing charter.

- c) **Validity:** The Commercial Offer (**Part - II Offer**) shall remain valid for a period of 90 days from the last date of submission of the offer.

- 5.1 The Commercial evaluation would be on the basis of comparative IRR workings, taking into the loadings on account of lifting capacity, balance life of the vessel, dry-docking and other expenses.

- 5.2 a) 100% payment will be made at the time of delivery of floating dry-dock.

b) CSL reserves the right to claim suitable compensation, if the seller fails to deliver the dock at agreed time after signing of Memorandum of Agreement (MOA); an appropriate clause with amount of compensation would be incorporated in the MOA at the time of signing of MOA.

5.3 Bidders may note in order to maintain confidentiality, bidders will not be invited at the time of opening of commercial offers. However, to maintain transparency, the commercial offers will be opened in presence of SCI's Independent External Monitor (IEM); and **the bids shall be kept confidential for 6 months**. Nevertheless, all technically qualified bidders will be informed about the date and time of opening commercial offer.

6.0 EVALUATION OF OFFERS:

6.1 During evaluation of the offers, appropriate weightage would be given to the lifting capacity, age and Dry dock survey status, with due consideration to the balance life of the vessel. Details are as follows:

a) Lifting Capacity and Age– The Rated Lifting capacity of floating dry-dock to be about 5000 MT. However, floating dry-docks with rated lifting capacity in the range of 4000-5500 MT will also be considered. While there will not be any benefit to the FDDs having lifting capacity over 5000 MT, there shall be a loading for lesser than 5000T lifting capacity. Age of FDD in should be in the range of 5-10 years. However, age of FDD more than 10 years and up to 15 years will also be considered but with suitable loading. However, there shall not be any advantage to bidder in evaluation if age is less than 5 years. The loading factor for age and lifting capacity would be as follows:

AGE of FDD	Loading for every 1 MT shortfall in lifting capacity from 5000MT (US \$)
Upto 15 years old vessel	1219.17
Upto 13.5 to 14.5 years old vessel	1292.79
Upto 12.5 to 13.5 years old vessel	1360.33
Upto 11.5 to 12.5 years old vessel	1422.30
Upto 10.5 to 11.5 years old vessel	1479.15
Upto 9.5 to 10.5 years old vessel	1531.30
Upto 8.5 to 9.5 years old vessel	1579.15
Upto 7.5 to 8.5 years old vessel	1623.05
Upto 6.5 to 7.5 years old vessel	1663.32
Upto 5.5 to 6.5 years old vessel	1700.27
Upto 5 years old vessel	1734.16

b) **Dry dock, Special Survey / Intermediate Survey:** If the dock is due for Drydock & Special survey or intermediate survey (as applicable) within 06 months of bid submission, the bidder has to complete the dry-dock before delivery otherwise appropriate loadings of (i) US\$ 103,896.00 (INR Eighty Lakhs) for the Dry dock/ Special Survey; or (ii) US \$64,935.00 (INR Fifty Lakhs) for the intermediate survey, as applicable, would be done.

6.2 **Loadings after inspection of FDDs:** As an outcome of the physical inspection of FDD if it is found that there is a further shortfall in the parameters vis-à-vis what is

declared by the bidder and technical deficiencies are observed, the same would be loaded appropriately.

- 6.3 SCI would be free to call for any details/ clarifications from the shortlisted bidders. The above loading factors would be strictly adhered to while evaluating offers.

7.0 GENERAL TERMS & CONDITIONS:

- 7.1 SCI/CSL does not bind itself to accept the lowest offer and has the sole discretion to accept or reject any bid or scrap the tender at any stage without assigning any reason.

- 7.2 SCI does not pay any commission or brokerage in any form to any party. Brokers submitting offers on behalf of owners are required to submit an "Authorisation Letter" from the owners authorising the broker deal with SCI for sale of intended vessel. The "Authorisation Letter" should be submitted with the Technical Offer i.e. in "Envelope-I".

- 7.3 The owner would have to facilitate inspection of class records of the FDD by SCI and/or by SCI appointed independent agency. SCI would prefer "online" inspection of class records.

- 7.4 SCI will arrange one or two own superintendent and/or independent inspections. The FDD shall also be inspected by the representatives of CSL at the time of inspection. Owners to facilitate inspection arrangements and make arrangements at their cost for safe launch/ boats service and boarding passes/ permits from port authorities for SCI / SCI appointed third party inspectors and CSL representatives. Owners/ agents/ master would be required to provide full cooperation to inspections teams.

- 7.5 Integrity Pact: Bidders are required to submit "Integrity Pact" (Enclosure – II), duly signed by the same signatory on all pages and details filled in properly. The acceptance of Integrity Pact shall be unconditional and the bidder must not change any contents of the Integrity Pact. The signed Integrity Pact should be enclosed with the Technical Offer i.e. in "Envelope-I".

- 7.6 Independent external monitors (IEMs) have been appointed to oversee implementation of Integrity Pact. The contact details of IEMs are as follows:

- 1) Dr. Sarat Kumar Acharya (Email id: sarat777@rediffmail.com)
- 2) Shri Vishnu Agarwal (Email id: agrawal.vishnu@gmail.com)
- 2) Shri G.C.Chaturvedi (Email id: gcchaturvedi@icicibank.com)

Bidders shall not approach the Courts while representing the matters to IEMs and will await IEMs decision in the matter.

- 7.7 All Applicable Maker's guarantee/warranty/ etc shall be passed on to CSL at the time of delivery.

- 7.8 The Sellers warrant that the FDD, at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever, and is not subject to Port State or other administrative detentions. The offered FDD should not be on "blocks" or "blacklisting" list of any agency. The Sellers hereby undertake to indemnify the Buyers against all claims and consequences of claims made against the FDD which have been incurred prior to the time of delivery.

- 7.9 CSL will have the option to depute observers (up to 5) to overview the performance of equipment and familiarization. Further, an underwater inspection would have to be arranged by the bidders at their cost before delivery of the FDD in presence of Class.
- 7.10 If the FDD is due for Drydock & Special survey or Intermediate survey (as applicable) within 6 months of bid submission, the bidder has to complete the dry-dock before delivery otherwise appropriate loadings as per clause 6.1(b) above, will be applicable.
- 7.12 One set each of finished drawings (Hull/Structure, Machinery, Outfitting, Electrical, Piping, LSA, Fire Control Plan etc) and equipment manuals in hard and soft copies to be submitted to CSL within 15 days after signing of MOA.
- 7.13 Bidders/owners have to agree in toto to all the terms & conditions of this tender document, and an undertaking letter should be enclosed with the Technical Offer i.e. in “Envelope-I”.

7.14 DISQUALIFICATION:

The Bid is liable to be disqualified, if:

- i. Tenderer does not meet the Technical requirements, as prescribed in the Enclosure – I (i.e. Technical Parameters).
 - ii. Bid is not submitted in accordance with the terms and conditions of the Tender.
 - iii. During validity of the quotation period or extended period, if any, the tenderer increases their quoted prices.
 - iv. Tenderer qualifies the tender with their own conditions.
 - v. Tender received in incomplete form including the Price offer.
 - vi. Information on Technical Parameters is found to be incorrect or false at any time either during the processing of the tender (no matter at what stage).
 - vii. While processing the tender documents, if it comes to the knowledge of the corporation that some of the bidders have formed as cartel resulting in delay/ holding up the processing of tender. All such bidders involved in cartel are liable to be disqualified for this contract as well as for a further period of two years.
- 7.15 The Tenderers with whom the corporation has dealt with earlier may also note that their performance during past dealings with the Corporation and also if they had committed breach of contract, legal disputes or having unsatisfactory performance with any of the Government body etc., would be taken into account and it would be at Corporation’s sole discretion whether to consider such parties in the tendering process.
- 7.16 **JURISDICTION CLAUSE:** All matters connected with this tender shall be governed by the Indian Law both substantive and procedural for the time being in force and shall be subject to the exclusive jurisdiction of Indian Courts at Mumbai.

CHECKLIST

(1) Sealed Envelope-I

- i. Detailed Technical Particulars of the FDD (as per Enclosure-I)
- ii. **Authorisation letter:** Brokers submitting offers on behalf of owners are required to submit an “Authorisation Letter” from the owners authorising the broker to deal with SCI for sale of the intended FDD.
- iii. **Undertaking:** as per Enclosure-II.
- iv. **Integrity Pact & Banning Guidelines:** duly signed on all pages and details filled in properly.
- v. **Terms & conditions:** Undertaking from the Bidders/owners, agreeing in toto to all the terms & conditions of this tender document.

(2) Sealed Envelope-II

- i. **Price bid:** Unconditional, all inclusive price for the offered FDD, with delivery at **Mumbai**.
 - ii. Price bid should **not** be enclosed or revealed or combined with Technical offer.
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USED FLOATING DRYDOCK TECHNICAL SPECIFICATION: TENDER REQUIREMENT**ENCLOSURE - I****NOTE: BIDDER TO SUBMIT DULY FILLED-IN TECHNICAL SPECIFICATIONS SHEET SEPARATELY FOR EACH FLOATING DRY-DOCK.**

General Description: The floating dry-dock (FDD) will be positioned within the Indira Dock basin, Mumbai Port Trust, Mumbai, India. The FDD should be able to undertake safe drydocking and undocking of vessels for catering to repair of vessels with length around 150M and upto 24 M width with max draft of 4.5M, in a water depth of around 9.5M. The FDD shall also have suitable installed crane on-board with reach across the entire inside width. The FDD shall be class certified (Any IACS member). The FDD shall be non-self-propelled. The main hull i.e. the wing walls and pontoon shall be continuous and inseparable along the dock structure. Hull shall be of all welded Steel construction. All Structural Bulkheads, Decks, Super Structure, Structural Closures, Cranes, Foundation etc. shall be as per Class requirements. All services like power supply, FW, LP/HP air, Acetylene will be provided for self sustenance of the dock. Additionally, these services can be availed from the shore.

S.No	PARAMETER	REQUIREMENT	BIDDERS TO FILL
1	Basic parameter		
	i) Name of the FDD	-	
	ii) Previous Name if any	-	
	iii) Name & details of the owner	-	
	iv) Call Sign	-	
	v) Official No.	-	
	vi) IMO No.	-	
	vii) Port of Registry	-	
	viii) Flag	-	
2	Hull No. & shipyard where built	-	
3	Technical Particulars		
	i) Rated Lifting Capacity	About 5000 MT	
	ii) LOA (around)	110M~150M or higher	
	iii) Beam (Max)- Distance between outer walls	28 M	
	<i>(Note: In case beam extends above 28M due to temporary appendages / projections of the FDD, which can be removed prior entry to locks of the port and refitted after positioning of the FDD in the ID without any major work, then same can be considered on case to case basis.)</i>		

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	iv) Min Beam of FDD i.e. Beam between inner walls: - At upper top deck level - At dock floor level	To be specified To be specified To be specified	
	v. Depth To Upper deck: To Safety deck: To Drydock floor:	To be specified	
	vi) a) Draught (submerging)- Max Light draught	To be indicated <i>(Should be commensurate with safe docking of vessels around 150M length and upto 24M width with max draft of 4.5M in a water depth of abt. 9.5M).</i> To be indicated.	
	vii. Deck cranes	2 x 5T min at extended beam of Drydock Suitable installed travelling type cranes in operation which reaches across entire width and length of the dock To specify following: No. of cranes: Rated capacity: Reach: Power consumption: Safety features:	
	viii. Ballasting/ De-ballasting pumps	To be specified Following details to be specified: No. of pumps: Min 2 pumps Total ballast capacity (approx) Ballast system to be operational & pumps shall have redundancy	
	ix. Bilge system for dry compartments	To be specified	
4	Dock floor load	To be specified	
5	i) Classification	ABS/BV/DNV/IRS/KR/LR/NK	
	ii) Class Notation	To be specified	
6	Age limit of vessel (Age of FDD up to 15 years will	Within 5 to 10 years old as on 01.04.2022	

USED FLOATING DRYDOCK TECHNICAL SPECIFICATION: TENDER REQUIREMENT

	also be considered subject to suitable loading)		
7	Intermediate Survey / Dry Dock & Special survey status	To specified by the bidder, with all details.	
8	i) Auxiliary Engine	i) No. of DG Sets (Min 2 Nos.) ii) Capacity: each should support FDD power requirements iii) The DGs should be in operating condition iv) DG Sets to be preferably rated for full power load as per original specification.	
	ii) Year of build of Generator Engines	New at the time of installation onboard the FDD.	
9	Fuel oil tank capacity & type of fuel oil.	Details to be specified	
10	Fresh water system and tank capacity	Details to be specified	
11	Drinking Water Facilities	To be specified	
12	Firefighting system and appliances	To be specified (meeting all applicable regulations/ requirements) Fire pump(s): no. & capacity: Emergency fire pump: Fire extinguishers (portable): Fire main details:	
13	Tank level gauging system	Details to be specified by the bidder.	
14	i) Deck Machinery	Details to be specified by the bidder.	
	ii) Mooring winches	Details to be indicated by the bidder.	
	iii) Chocks, bollards & fairleads for mooring and towing.	Details like type and SWL to be indicated by the bidder.	
15	Fendering arrangement	Details to be indicated by the bidder	
16	Gangway	Details to be indicated by the bidder	
17	<i>Details of temporary appendages / projections, if any attached to FDD, which can be removed prior</i>	Details to be indicated and furnished if applicable	

USED FLOATING DRYDOCK TECHNICAL SPECIFICATION: TENDER REQUIREMENT

	<i>entry to locks of the port and refitted after positioning of the FDD in the ID without any major work</i>		
18	<p>Air conditioned Control room(s): to confirm provision of following equipment but not limited to:</p> <ul style="list-style-type: none"> i) Location /deck ii) Control equipment: ballast tank level, ballast control panel, E-switchboard. iii) Flooding / discharge valve (remote control) iv) Loading computer (enabling simulation and stability monitoring) v) Drydocking equipment: Deflection monitoring system, list & trim monitors, draft indication system (fwd, mid and aft) vi) Ballast Control Console (display: level gauges of all ballast tanks, suction, discharge and cross connection remotely operated valve position indicators, trim & heel indication, gauges, ballast pumps start / stop push button and run/stop indication, ballast control valve open/close indicators.) vii) Emergency stop push button, general alarm switch, alarm reset, alarm acknowledge, etc 	To be specified by the bidder indicating if following equipment are fitted:	

USED FLOATING DRYDOCK TECHNICAL SPECIFICATION: TENDER REQUIREMENT

19	Air Supply System/Compressors	Details to be specified	
	Ventilation & AC system (Ballast control room/Machinery Control room/ Switch board room)		
20	Communication equipment (VHF radio, search light, binoculars, barometer, clock, PA system, telephone, walkie talkies etc)	To be specified Means of external and internal communication system to be indicated.	
21	Life Saving Equipment	LSA equipment of reputed make, as per the SOLAS, LSA Code, & applicable regulations. Details to be indicated by the bidder.	
22	Main source of Power Supply	440V/220V, 60 Hz/ 50 Hz, 3 phase.	
23	Emergency source of power	To be indicated	
24	Shore Supply/connections	Details to be indicated	
25	Transformers (dry type)	Details to be indicated	
26	CCTV	Details to be specified	
27	Coating System	Painting scheme for Underwater, Ballast tanks, Decks and other exposed areas to be specified. Photographs of the current coating condition in the ballast tanks to be furnished.	
28	ICCP system and anodes	Details to be specified	
29	Latest 3 Inspection reports	To be provided by the bidder	
30	Other equipment: hydro washing machines, hydro jetting machines, hydro blasting machines, TIG/MIG welding machines, anemometer etc	Details to be provided	

USED FLOATING DRYDOCK TECHNICAL SPECIFICATION: TENDER REQUIREMENT

31	Spares on board	As on date of bid submission to be specified	
32	<p><u>Class Approved Documents (as applicable) to be submitted with un-priced bid:</u></p> <ul style="list-style-type: none">i) General Arrangement Plan.ii) Transverse section scantling at mid-length of dry dockiii) Structural plans for wing walls, pontoons, decks and bulkheadsiv) Capacity plan/ Tank arrangements showing also showing max service heads and heights of overflows and vent pipes.v) Bilge / ballast pumping arrangements,vi) Machinery and electrical plans.vii) Fire extinguishing system,viii) Stability bookletix) Strength calculation.x) Operating manual.xi) Cranes specification and arrangement.xii) Particulars for indicator systems for tank water level and drafts.xiii) Particulars of deflection indicating system.xiv) Docking plan.xv) Fire Control Plan.xvi) Coating specification of external structure and tanksxvii) Control and monitoring system documentationxviii) Current Registry Certificate including first registry certificate to confirm the age of FDD as on date of Techno Commercial Bid opening (TBO).xix) Copy of Shop test data of generator engines.xx) Mooring arrangement.xxi) Electric Load Analysisxxii) Immersion trial report.xxiii) Ventilation and access arrangement.xxiv) List of spares, inventory, toolsxxv) All Class and statutory certificates.		
33	<p><u>Other Capabilities:</u> - Not withstanding what may have been stated elsewhere, all documents/certificates should also be enclosed with the un-priced bids so as to allow us to assess the capabilities of the offered FDD.</p>		

USED FLOATING DRYDOCK TECHNICAL SPECIFICATION: TENDER REQUIREMENT

34	Bidder has to indicate the list of Equipment or any items which do not belong to the FDD or are on lease. However, any such item(s) which is/are required under statutory regulations, have to be provided by the bidder at the time of delivery.	
35	For Major equipment reputed OEM manufactured/Korean Licensee/Japanese Licensee Make & Model will be accepted. Country of Origin of all major equipment to be specified.	

Ref: F.No.6/18/2019-PPD, dt.23 Jul 2020 of D/o.Expenditure, Gol

“Guidelines for Eligibility of a ‘Bidder’ from a Country which shares a land border with India”

- I. Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority.
- II. “Bidder” (including the term ‘tenderer’, ‘consultant’ or ‘service provider’ in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.
- III. “Bidder from a country which shares a land border with India” for the purpose of this Order means:
 - a) An entity incorporated, established or registered in such a country; or
 - b) A subsidiary of an entity incorporated, established or registered in such a country; or
 - c) An entity substantially controlled through entities incorporated, established or registered in such a country; or
 - d) An entity whose beneficial owner is situated in such a country; or
 - e) An Indian (or other) agent of such an entity; or
 - f) A natural person who is a citizen of such a country; or
 - g) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above.
- IV. The beneficial owner for the purpose of (III) above will be as under:
 1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation -

 - a) “Controlling ownership interest” means ownership of or entitlement to more than twenty five percent of share or capital or profits of the company;
 - b) “Control” shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
 2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;

3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;

4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;

5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.

VI. The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

UNDERTAKING

I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I hereby certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered.

Place:

Date :

Signature of the Bidder
with rubber stamp of the Company

Enclosures:

1. Wherever applicable, evidence of valid registration by the Competent Authority shall be attached.

INTEGRITY PACT DOCUMENT AS APPROVED BY SCI

INTEGRITY PACT

Between

The Shipping Corporation of India Limited (SCI)
hereinafter referred to as “The Principal”,

and

_____ hereinafter referred to as “The Bidder/Contractor”.

PREAMBLE

The Principal intends to award, under laid down organizational procedures, contract/s for _____. The Principal values full compliance with all relevant laws of the land, rules, regulations, the principles of economical use of resources, and of fairness and transparency in its relations with its Bidder(s) and Contractor(s).

In order to achieve these goals, the Principal cooperates with renowned international Non-Governmental Organization “Transparency International” (TI). The Principal will appoint Independent External Monitors (IEMs) who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

SECTION 1 – COMMITMENTS OF THE PRINCIPAL

- (1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:
 - a. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or non-material benefit which the person is not legally entitled to.
 - b. The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder confidential/additional information through which the Bidder could obtain an advantage in relation to the tender process or the contract execution.
 - c. The Principal will exclude from the process all known prejudiced persons.
- (2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if there be a

substantive suspicion in this regard, the Principal will inform its Chief Vigilance Officer and in addition can initiate disciplinary actions.

SECTION 2 – COMMITMENTS OF THE BIDDER/CONTRACTOR

- (1) The Bidder/Contractor commits itself to take all measures necessary to prevent corruption. The Bidder/Contractor commits itself to observe the following principles during its participation in the tender process and during the contract execution.
 - a. The Bidder / Contractor will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which they are not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
 - b. The Bidder / Contractor will not enter with other Bidder(s) into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelisation in the bidding process.
 - c. The Bidder / Contractor will not commit any offence under the relevant Anti-Corruption Laws of India; further the Bidder / Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted Electronically.
 - d. The Bidder / Contractor will, when presenting its bid, disclose any and all payments made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
 - e. Bidder / Contractor who has signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.
- (2) The Bidder / Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

SECTION 3 – DISQUALIFICATION FROM TENDER PROCESS AND EXCLUSION FROM FUTURE CONTRACTS

If the Bidder/Contractor, before contract award or during execution has committed a serious transgression through a violation of Section 2 or in any other form such as to put

his reliability or credibility as Bidder into question, the Principal is entitled to disqualify the Bidder/Contractor from the tender process or take action as per the procedure mentioned in-the “Policy and Guidelines for Removal / Suspension / Banning of Entities”. **Copy of the “Policy and Guidelines for Removal / Suspension / Banning of Entities” is placed at Page Nos. 6 to 13.**

SECTION 4 – COMPENSATION FOR DAMAGES

- (1) If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover from the Bidder damages equivalent to Earnest Money Deposit / Bid Security.
- (2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to Security Deposit and /or Performance Bank Guarantee.
- (3) The Bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder / Contractor can prove and establish that the exclusion of the Bidder from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount of damages claimed by the Principal, the Bidder / Contractor shall compensate the Principal only to the extent of the damage in the amount proved.

SECTION 5 – PREVIOUS TRANSGRESSION

- (1) The Bidder declares that no previous transgressions occurred in the last three years with any other Company in any country conforming to the anti-corruption approach or with any Public Sector Enterprise in India that could justify its exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, the bidder can be disqualified from the tender process and/or action can be taken as per the procedure mentioned in “Policy and Guidelines for Removal / Suspension / Banning of Entities”.

SECTION 6 – EQUAL TREATMENT OF ALL BIDDERS / CONTRACTORS

- (1) In case of sub-contracting, the Principal Contractor shall take the responsibility of the adoption of Integrity Pact by the sub-contractor.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- (3) The Principal will disqualify from the tender process all Bidders who do not sign this Pact or violate its provisions.

SECTION 7 – CRIMINAL CHARGES AGAINST VIOLATING BIDDERS / CONTRACTORS

If the Principal obtains knowledge of conduct of a Bidder, Contractor or of an employee or a representative or an associate of a Bidder, Contractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer.

SECTION 8 – EXTERNAL INDEPENDENT MONITOR/ MONITORS

- (1) The Principal appoints competent and credible Independent External Monitor(s) for this Pact after approval by the Central Vigilance Commission. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his/her functions neutrally and independently. The Monitor would have access to all Contract documents, whenever required. It will be obligatory for him/her to treat the information and documents of the Bidders/Contractors as confidential. He/she reports to the Chairman, SCI.
- (3) The Bidder/Contractor accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his/her request and demonstration of a valid interest, unrestricted and unconditional access to its project documentation. The same is applicable to Subcontractors.
- (4) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (5) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he/she will so inform the Management of the Principal and request the Management to discontinue or heal the violation, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (6) The Monitor will submit a written report to the Chairman, SCI, within 8 to 10 weeks from the date of reference or intimation to him/her by the “Principal” and, should the occasion arise, submit proposals for correcting problematic situations.
- (7) If the Monitor has reported to the Chairman, SCI, a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairman has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
- (8) The word “Monitor” would include both singular and plural.

SECTION 9 – PACT DURATION

This pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by Chairman of the Principal.

SECTION 10 – OTHER PROVISIONS

- (1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered office of the Principal, i.e. Mumbai.
- (2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- (3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- (4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- (5) Issues like Warranty / Guarantee etc. shall be outside the purview of IEMs.
- (6) In the event of any contradiction between the Integrity Pact and its Annexure, the Clause in the Integrity Pact will prevail.

.....
For the Principal
(Official Seal)

.....
For the Bidder / Contractor
(Official Seal)

Place:

Witness 1:
(Signature and Name & Address)

Date:

Witness 2:
.....
(Signature and Name & Address)

BANNING GUIDELINES DOCUMENT

THE SHIPPING CORPORATION OF INDIA LTD. **Policy and Guidelines for Removal / Suspension / Banning of Entities**

1. INTRODUCTION

The Shipping Corporation of India Ltd. (SCI), a premier commercial organisation, is committed to maintaining ethics of the highest standard and adopt best industry practices in all its activities. During the course of business, SCI transacts with various firms and companies in their capacity as bidders / vendors / contractors / agents, hereinafter, referred to as the 'Entity'. SCI considers all its business dealings as a relationship and no relationship can be built on deceit or unethical conduct or repeated poor performance on the part of bidders/vendors/contractors/agents. SCI in all its business dealings endeavors to maintain competency, fairness, transparency, and it is expected that the other party to the deal will also uphold similar code of conduct.

This guideline on banning unscrupulous elements / parties is being adopted to weed out corrupt practices and repeated poor performance and their recurrence from the system.

Since banning of business dealings involves civil consequences for an Entity concerned, it is incumbent that adequate opportunity of hearing is provided and the explanation, if tendered, is considered before passing any order in this regard keeping in view the facts and circumstances of the case. Accordingly, during the proceedings as laid down in this document, the party / parties would be provided with ample opportunity to tender their explanations along with documentary evidence to present their case which would be duly considered based on the principles of natural justice. The banning guidelines are not applicable to any inadvertent or unintentional lapse on part of the party.

The decision of banning any business dealings would be taken only after it is established beyond doubt that the party has committed an act of deception, fraud or other misconduct (including repeated poor performance) in the tendering process or in the execution of contracts awarded / orders issued to them.

2. SCOPE

2.1 SCI reserves its rights to remove an entity from its list of approved suppliers / contractors or to ban business dealings and also to suspend business dealings pending investigation if that entity has been found to have committed misconduct.

2.2 The guiding principles and processes for

- (i) Removal of an Entity from the list of approved suppliers / contractors
- (ii) Suspension and

- (iii) Banning of an Entity from doing business with the Corporation, for a specified period, are laid down herein.
- 2.3 These guidelines apply to all firms / bidders / vendors / contractors / agents, etc. including those on approved panels, who have or are expected to have business dealings with SCI, and shall extend to all units, offices, establishments, subsidiaries and vessels of the SCI including those which get set up in future.
- 2.4 Without prejudice to the claims and rights of SCI in relation to subsisting arrangements, action under these guidelines would take effect prospectively.

3. **DEFINITIONS**

In these Guidelines, unless the context otherwise requires:-

- (i) The Expression ‘Party / Contractor / Supplier / Purchaser / Customer / Bidder / Vendor /Agent/ Entity’ includes a company incorporated in law, a firm (whether registered or not), an individual, HUF, a co-operative society or an association or a group of persons engaged in or expected to be engaged in business dealings with SCI.
- (ii) ‘Inter-connected Entity’ shall mean two or more companies having any of the following features: -
 - (a) If any or all of the Partner(s) / Functional Director(s) are common,
 - (b) If the Management is common,
 - (c) If the entity is controlled or is otherwise subservient to an entity against which action under these guidelines is taken or contemplated.
- (iii) ‘Competent Authority’ and ‘Appellate Authority’ shall mean the following:
 - (a) For banning any Entity, Indian or foreign, the “Competent Authority” would be a “Committee of Directors” comprising of the Director of the Division awarding the contract, Director (Finance) and the Director/s of the concerned Operations Divisions. The Committee will consist minimum three Directors. In case Director of the Division awarding the contract and the Director of the concerned operating Division are same, the Committee should co-opt one more Director from other Division.

The Chairman & Managing Director, SCI, shall be the ‘Appellate Authority’ in respect of such cases.

- (b) In case the original contract has been approved by the Chairman, then, for banning of the party, the competent authority would include the Chairman &Managing Director, Director (Finance) and Directors of the concerned operating divisions. In such a case an Appellate

Authority would be the SCI Board of Directors or a committee formed by the Board for the purpose.

- (c) For contracts where Board approval is mandatory for award, the Board or nominees of the Board would constitute the competent authority. In such cases any appeal would also lie with the Board.

Banning proposals initiated by the SCI branch offices would be heard by the same authorities as mentioned at **Clause 3 iii (a)** and **Clause 3 iii (b)** above, and would have a company-wide effect, unless otherwise specified by the Competent Authority.

- (iv) ‘Investigating Department’ shall mean any department / division / office of SCI investigating into the conduct of the Entity and shall include the Vigilance Department, “Central Bureau of Investigation, the State Police or any other authority or entity set up by the Central or State Government having powers to investigate”.
- (v) List of ‘Approved Entities’ – shall mean and include list of approved Parties /Contractors / Suppliers / Purchases / Customers / Bidder / Vendor / Agents’, if registered / contracted with SCI.

4. **GROUNDS FOR INITIATION OF BANNING BUSINESS DEALINGS**

- 4.1 If considerations of security, sovereignty, or friendly relations of the state with other countries or reasons of trade or commercial confidence of SCI so warrant.
- 4.2 If any persons by whatever designation / name holding control of the entity or having substantial influence in the affairs of the entity is convicted by a Court of Law for offences involving moral turpitude, during the last five years.
- 4.3 If there is strong reason to believe that the Directors, Proprietors, Partners, Managers of the Entity have been guilty of malpractices such as bribery, corruption, fraud, misrepresentation of facts, interpolations or other unfair /unethical practices, formation of cartel with other entities with a view to artificially hike the prices
- 4.4 If the Entity continuously refuses to return / refund the dues of SCI without showing adequate reason and this is not due to any reasonable dispute which would attract proceedings in arbitration or Court of Law.
- 4.5 If business dealings with the Entity have been banned by the Govt. or any other Central Public sector enterprise, then, such banning may also be extended for the same period as banned by the concerned Govt. / CPSE.
- 4.6 If any recommendation is received from Vigilance Division to ban business dealings with the Entity.

- 4.7 If the Entity has resorted to corrupt, fraudulent practices, coercion, undue influence, and other violations including misrepresentation of facts and / or fudging / forging / tampering of documents.
- 4.8 If the Entity uses intimidation / threats or brings undue outside pressure on the Corporation (SCI) or its officials in acceptance / performance of the job under the contract.
- 4.9 If the Entity indulges in repeated and / or deliberate use of delay tactics in complying with contractual obligations.
- 4.10 Established litigant nature of the Entity to derive undue benefit.
- 4.11 If the Entity misuses the premises or facilities of the Corporation (SCI), forcefully occupies tampers or damages the Corporation's properties including land, water resources, forests / trees, etc.
- 4.12 If the Entity employs a dismissed / removed public servant or employs a person convicted for an offence involving corruption or abetment of such offence.
- 4.13 Willful indulgence by the Entity in supplying substandard material irrespective of whether inspection was carried out by the company, its agents or its representatives.
- 4.14 Based on the findings of the investigation report of CBI / Police against the Entity for malafide/unlawful acts or improper conduct on the Entity's part in matters relating to SCI or even otherwise.
- 4.15 If the entity supplies poor/substandard materials as against mentioned in the Purchase Order/samples provided, if any or performs substandard quality of service and fails to rectify/replace the same even after reasonable extension of time given to such entity.
- 4.16 Continued poor performance or any other action of the vendors/contractors/Agents-which may result in damage to the brand image and/or result into commercial loss to SCI.
- 4.17 Failed to honor the bid without sufficient grounds.

(Note: The examples given above are only illustrative and not exhaustive. The Competent Authority may decide to ban business dealings for any good and sufficient reason).

5. **INITIATION OF BANNING / SUSPENSION**

The Contracting Department on receiving request to ban the Entity on any of the above grounds (as listed under **Clause 4**) will initiate the banning process by forming a Investigating Committee comprising of Representatives from concerned

User Division, Contracting Division and Finance Division. The User / Reporting Division to provide all relevant facts /material to the contract initiating Department / Division which will present it to the Investigating Committee. The Committee so formed will study the case and then submit its recommendations to the Competent Authority to decide on banning the Entity from all dealings with SCI. The Competent Authority and the appellate Authority would be as defined in **Clause 3.0 (iii)** as above.

6. **SUSPENSION OF BUSINESS DEALINGS DURING INVESTIGATION PERIOD**

- 6.1 If the conduct of any Entity dealing with SCI is under investigation, the Investigating Department will inform the concerned Divisional Director, who in turn will convene a meeting of the Competent Authority. The Vigilance Department will be informed as well, and the Chief Vigilance Officer can send his recommendations to the Competent Authority based on the same.
- 6.2 The Competent Authority may consider whether the allegations (under investigation) are of a serious nature and whether, pending investigation, it would be advisable to continue business dealings with the Entity. If the Competent Authority, after consideration of the matter, including the recommendations of the Investigating Department (if any), decides that it would not be in the interests of the Corporation to continue business dealings pending investigation, it may decide in favor of suspending business dealings with the Entity. The report of the Competent Authority must be submitted to the CMD, SCI, within 21 days from the receipt of the reference by the concerned Divisional Director and within the effective date of suspension.
- 6.3 The order of suspension will be passed by the concerned Divisional Director and would operate for a period of not more than six months from the date of issuance of such order, and may be communicated to the Entity as also to the Investigating Department.
- 6.4 The Investigating Department must ensure that their investigation is completed and the whole process of final order is over within such period. However, if investigations are not completed in six months' time, the Competent Authority may extend the period of suspension by another three months, during which period the investigations must be completed.
- 6.5 The order of suspension shall be communicated to all Departments / Divisions / branch offices of SCI. During the period of suspension, no business dealing may be held with the Entity.
- 6.6 As far as possible, other existing contract(s) with the Entity may continue, unless the Competent Authority, having regard to the circumstances of the case, decides otherwise.

- 6.7 If the Entity concerned asks for detailed reasons of suspension, the Entity maybe informed that its conduct is under investigation. It is not necessary to enter into correspondence or argument with the Entity at this stage.
- 6.8 It is necessary to give a show-cause notice to the Entity along with the order for suspension unless it is not expedient in the public interest to do so. The Entity has to be allowed to submit its written defense to the show-cause notice within 15 days. Competent Authority has to take the decision within thirty days of receipt of written defense.
- 6.9 Period of suspension shall be accounted for in the final order passed for Holiday listing (Banning business dealing) with the “Entity”.

7. **BANNING OF BUSINESS DEALINGS**

- 7.1 A decision to ban business dealings with any Entity shall normally apply throughout SCI, unless otherwise specified by the Competent Authority. The Competent Authority may restrict the ban to a Division/s or branch Office/s if in the particular case, banning of business dealings by the respective Unit will serve the purpose and achieve its objective and banning throughout the Corporation is not required in view of the local conditions and limited impact of the non-performance/misconduct / default.
- 7.2 There will be an Investigating Committee in each Division / Branch office, to be appointed by the Divisional Director, for processing cases of “Banning of Business Dealings” as referred in **Clause 5** above. The functions of the committee shall, inter-alia include:
- (i) To examine and report material and other circumstances to determine whether or not if a prima-facie case for banning exists.
 - (ii) To recommend for issue of show-cause notice to the Entity by the concerned department as per **Clause 8.1**.
 - (iii) To examine the reply to show-cause notice and call the Entity for personal hearing, if required.
 - (iv) To submit recommendations to the Competent Authority for banning or otherwise.
- 7.3 If the Competent Authority is prima-facie of the view that action for banning business dealings with the Entity is called for, a show-cause notice may be issued to the Entity as per paragraph 8.1 and an enquiry held accordingly.

8. **SHOW-CAUSE NOTICE**

- 8.1 In case where the Competent Authority decides that action against an Entity is called for, a show-cause notice has to be issued to the Entity. A statement containing the imputation of misconduct or misbehavior may be appended to the show-cause notice and the Entity should be asked to submit within 15 days a written statement in its defense.

- 8.2 On request from the Entity, necessary facility will be provided for inspection of relevant document/s in possession of SCI that establishes the grounds for banning (under **Clause 4**).
- 8.3 If no reply is received from the “Entity” within the specified period, the decision may be taken ex-parte. The Competent Authority will pass an appropriate speaking order after examining the materials on record.
- 8.4 The Competent Authority may consider and pass an appropriate order:
- (i) For exonerating the Entity if the charges are not established or
 - (ii) For removing the Entity from the list of approved Suppliers / Contactors, etc. or
 - (iii) For banning business dealings with the Entity.
- 8.5 The period for which the ban would be operative may be mentioned in the order. The period of Banning will be of two (2) years. The Competent Authority will have a right to extend the banning period for cases where issues are not resolved. It should also state explicitly that whether the ban would extend to the Inter-connected Entities based on case to case basis.

(9) **REMOVAL FROM LIST OF APPROVED ENTITIES - SUPPLIERS/ CONTRACTORS, ETC.**

- 9.1 If the Competent Authority decides that the charge against the Entity is of a minor nature, it may consider removing the name of the Entity from the list of approved Entities – Suppliers / Contractors, etc. – without recourse to an outright ban for a period of one (1) year or for the balance period of the contract whichever is longer.
- 9.2 The effect of such a removal order would be that the Entity would not be entitled to participate in both Open and Limited Tender Enquiries of SCI during such removal period.

10. **APPEALS AGAINST THE DECISION OF THE COMPETENT AUTHORITY**

- 10.1 No Appeal is permitted in case an Agency is Holiday Listed (Banning of business dealing) based on Ministry’s advice.
- 10.2 The Entity may file an appeal against the order of the Competent Authority banning business dealing etc. The appeal shall be filed to the Appellate Authority. Such an appeal shall be made within one month from the date of receipt of the order banning business dealing, etc.
- 10.3 The Appellate Authority would consider the appeal and pass appropriate orders which shall be communicated to the Entity as well as the Competent Authority.
- 10.4 **Duration of Banning**

Ordinarily the period for which an Agency is banned should not be less than six months and should not exceed 2 years. However, in extraordinary circumstances the period can be more than 2 years.

11. **REVIEW OF THE DECISION BY THE COMPETENT AUTHORITY**

Any petition / application filed by the Entity concerning the review of the banning order passed originally by Competent Authority under the existing guidelines either before or after filing of appeal before the Appellate Authority or after disposal of appeal by the Appellate Authority, the review petition can be decided by the Competent Authority upon disclosure of new facts / circumstances or subsequent development necessitating such review. The Competent Authority may refer the same petition to the Investigating Committee for examination and recommendation.

12. **CIRCULATION OF THE NAMES OF ENTITIES WITH WHOM BUSINESS DEALINGS HAVE BEEN BANNED**

12.1 The banning order will be issued to the Entity by the concerned contracting Divisional Director. It will also be circulated to all the Divisions and branch offices of the Corporation and the names of the banned entities will be posted on the SCI website.

12.2 Depending upon the gravity of misconduct established, the Competent Authority of the Corporate Office may circulate the names of the Entity with whom business dealings have been banned, to Government Departments, other Central Public Sector Enterprises, etc. for such action as they deem appropriate.

12.3 If a Government Department or a Central Public Sector Enterprise requests for more information about the Entity with whom business dealings have been banned, a copy of the report of Investigating Department together with a copy of the order of the Competent Authority/Appellate Authority may be furnished.

12.4 If business dealings with any Entity have been banned by the Central or State Government or any other Central Public Sector Enterprise, SCI may, without any further enquiry or investigation, issue an order banning business dealing with the Entity and its inter-connected Entities.

13. **EFFECT OF BANNING AND SUSPENSION OF AN ENTITY**

13.1 The entity after issue of order of banning /suspension shall be debarred from participating in any of the tenders of SCI during the banning/suspension period and the same shall also be hosted on SCI website.

13.2 If the entity has already participated in the tender and price bids are not opened, the technical bids of such entity will be rejected. If the price bid of the tender is already opened and happened to be L1, the tender has to be

cancelled and re-tender has to be issued. If the entity is not L1, the tender can be processed further.

- 13.3 Banning does not preclude a claim for damages for non-performance.
- 13.4 Banning does not affect any provision in the contract for the settlement of disputes or any other term of the contract which is to operate even after termination.

14. **REVOCATION**

Suspension/ Removal of an entity shall be deemed to have been automatically revoked on the expiry of Suspension/ Removal period and it will not be necessary to issue a specific formal order of revocation. However, in case of Banned entities, the same shall continue to remain in force unless it is specifically revoked based on the firm's representation with the approval of the Competent Authority who has earlier accorded approval for banning.

- 14.1 In banning cases, where the proprietor of the entity, its employee, partner or representative is convicted by a court of law for offences involving moral turpitude in relation to business dealings, may be revoked if in respect of the same facts, accused has been wholly exonerated by court of Law.
- 14.2 A banning / suspension order may, on a review be revoked by the competent authority if it is of the opinion that the disability already suffered is adequate in the circumstances of the case.

These guidelines shall be applicable for and be part of the Tender document.

NOTE: BIDDER TO SUBMIT DULY FILLED-IN TECHNICAL SPECIFICATIONS SHEET SEPARATELY FOR EACH FLOATING DRY-DOCK.

General Description: The floating dry-dock (FDD) will be positioned within the Indira Dock basin, Mumbai Port Trust, Mumbai, India. The FDD should be able to undertake safe drydocking and undocking of vessels for catering to repair of vessels with length around 150M and upto 24 M width with max draft of 4.5M, in a water depth of around 9.5M. The FDD shall also have suitable installed crane on-board with reach across the entire inside width. The FDD shall be class certified (Any IACS member). The FDD shall be non-self-propelled. The main hull i.e. the wing walls and pontoon shall be continuous and inseparable along the dock structure. Hull shall be of all welded Steel construction. All Structural Bulkheads, Decks, Super Structure, Structural Closures, Cranes, Foundation etc. shall be as per Class requirements. All services like power supply, FW, LP/HP air, Acetylene will be provided for self sustenance of the dock. Additionally, these services can be availed from the shore.

S.No	PARAMETER	REQUIREMENT	BIDDERS TO FILL
1	Basic parameter		
	i) Name of the FDD	-	
	ii) Previous Name if any	-	
	iii) Name & details of the owner	-	
	iv) Call Sign	-	
	v) Official No.	-	
	vi) IMO No.	-	
	vii) Port of Registry	-	
	viii) Flag	-	
2	Hull No. & shipyard where built	-	
3	Technical Particulars		
	i) Rated Lifting Capacity	About 5000 MT	
	ii) LOA (around)	110M~150M or higher	
	iii) Beam (Max)- Distance between outer walls	28 M	
	<i>(Note: In case beam extends above 28M due to temporary appendages / projections of the FDD, which can be removed prior entry to locks of the port and refitted after positioning of the FDD in the ID without any major work, then same can be considered on case to case basis.)</i>		

	iv) Min Beam of FDD i.e. Beam between inner walls: - At upper top deck level - At dock floor level	To be specified To be specified To be specified	
	v. Depth To Upper deck: To Safety deck: To Drydock floor:	To be specified	
	vi) a) Draught (submerging)- Max Light draught	To be indicated <i>(Should be commensurate with safe docking of vessels around 150M length and upto 24M width with max draft of 4.5M in a water depth of abt. 9.5M).</i> To be indicated.	
	vii. Deck cranes	2 x 5T min at extended beam of Drydock Suitable installed travelling type cranes in operation which reaches across entire width and length of the dock To specify following: No. of cranes: Rated capacity: Reach: Power consumption: Safety features:	
	viii. Ballasting/ De-ballasting pumps	To be specified Following details to be specified: No. of pumps: Min 2 pumps Total ballast capacity (approx) Ballast system to be operational & pumps shall have redundancy	
	ix. Bilge system for dry compartments	To be specified	
4	Dock floor load	To be specified	
5	i) Classification	ABS/BV/DNV/IRS/KR/LR/NK	
	ii) Class Notation	To be specified	

6	Age limit of vessel (Age of FDD up to 15 years will also be considered subject to suitable loading)	Within 5 to 10 years old as on 01.04.2022	
7	Intermediate Survey / Dry Dock & Special survey status	To specified by the bidder, with all details.	
8	i) Auxiliary Engine	i) No. of DG Sets (Min 2 Nos.) ii) Capacity: each should support FDD power requirements iii) The DGs should be in operating condition iv) DG Sets to be preferably rated for full power load as per original specification.	
	ii) Year of build of Generator Engines	New at the time of installation onboard the FDD.	
9	Fuel oil tank capacity & type of fuel oil.	Details to be specified	
10	Fresh water system and tank capacity	Details to be specified	
11	Drinking Water Facilities	To be specified	
12	Firefighting system and appliances	To be specified (meeting all applicable regulations/requirements) Fire pump(s): no. & capacity: Emergency fire pump: Fire extinguishers (portable): Fire main details:	
13	Tank level gauging system	Details to be specified by the bidder.	
14	i) Deck Machinery	Details to be specified by the bidder.	
	ii) Mooring winches	Details to be indicated by the bidder.	
	iii) Chocks, bollards & fairleads for mooring and towing.	Details like type and SWL to be indicated by the bidder.	
15	Fendering arrangement	Details to be indicated by the bidder	
16	Gangway	Details to be indicated by the bidder	

17	<i>Details of temporary appendages / projections, if any attached to FDD, which can be removed prior entry to locks of the port and refitted after positioning of the FDD in the ID without any major work</i>	Details to be indicated and furnished if applicable	
18	<p>Air conditioned Control room(s): to confirm provision of following equipment but not limited to:</p> <ul style="list-style-type: none"> i) Location /deck ii) Control equipment: ballast tank level, ballast control panel, E-switchboard. iii) Flooding / discharge valve (remote control) iv) Loading computer (enabling simulation and stability monitoring) v) Drydocking equipment: Deflection monitoring system, list & trim monitors, draft indication system (fwd, mid and aft) vi) Ballast Control Console (display: level gauges of all ballast tanks, suction, discharge and cross connection remotely operated valve position indicators, trim & heel indication, gauges, ballast pumps start / stop push button and run/stop indication, ballast control valve open/close indicators.) vii) Emergency stop push 	To be specified by the bidder indicating if following equipment are fitted:	

	button, general alarm switch, alarm reset, alarm acknowledge, etc		
19	Air Supply System/Compressors	Details to be specified	
20	Ventilation & AC system (Ballast control room/Machinery Control room/ Switch board room)		
21	Communication equipment (VHF radio, search light, binoculars, barometer, clock, PA system, telephone, walkie talkies etc)	To be specified Means of external and internal communication system to be indicated.	
22	Life Saving Equipment	LSA equipment of reputed make, as per the SOLAS, LSA Code, & applicable regulations. Details to be indicated by the bidder.	
23	Main source of Power Supply	440V/220V, 60 Hz/ 50 Hz, 3 phase.	
24	Emergency source of power	To be indicated	
25	Shore Supply/connections	Details to be indicated	
26	Transformers (dry type)	Details to be indicated	
27	CCTV	Details to be specified	
28	Coating System	Painting scheme for Underwater, Ballast tanks, Decks and other exposed areas to be specified. Photographs of the current coating condition in the ballast tanks to be furnished.	
29	ICCP system and anodes	Details to be specified	
30	Latest 3 Inspection reports	To be provided by the bidder	

31	Other equipment: hydro washing machines, hydro jetting machines, hydro blasting machines, TIG/MIG welding machines, anemometer etc	Details to be provided	
32	Spares on board	As on date of bid submission to be specified	
33	<p><u>Class Approved Documents (as applicable) to be submitted with un-priced bid:</u></p> <ul style="list-style-type: none"> i) General Arrangement Plan. ii) Transverse section scantling at mid-length of dry dock iii) Structural plans for wing walls, pontoons, decks and bulkheads iv) Capacity plan/ Tank arrangements showing also showing max service heads and heights of overflows and vent pipes. v) Bilge / ballast pumping arrangements, vi) Machinery and electrical plans. vii) Fire extinguishing system, viii) Stability booklet ix) Strength calculation. x) Operating manual. xi) Cranes specification and arrangement. xii) Particulars for indicator systems for tank water level and drafts. xiii) Particulars of deflection indicating system. xiv) Docking plan. xv) Fire Control Plan. xvi) Coating specification of external structure and tanks xvii) Control and monitoring system documentation xviii) Current Registry Certificate including first registry certificate to confirm the age of FDD as on date of Techno Commercial Bid opening (TBO). xix) Copy of Shop test data of generator engines. xx) Mooring arrangement. xxi) Electric Load Analysis xxii) Immersion trial report. xxiii) Ventilation and access arrangement. xxiv) List of spares, inventory, tools xxv) All Class and statutory certificates. 		

34	<u>Other Capabilities:</u> - Not withstanding what may have been stated elsewhere, all documents/certificates should also be enclosed with the un-priced bids so as to allow us to assess the capabilities of the offered FDD.	
35	Bidder has to indicate the list of Equipment or any items which do not belong to the FDD or are on lease. However, any such item(s) which is/are required under statutory regulations, have to be provided by the bidder at the time of delivery.	
36	For Major equipment reputed OEM manufactured/Korean Licensee/Japanese Licensee Make & Model will be accepted. Country of Origin of all major equipment to be specified.	

Ref: F.No.6/18/2019-PPD, dt.23 Jul 2020 of D/o.Expenditure, GoI

“Guidelines for Eligibility of a ‘Bidder’ from a Country which shares a land border with India”

- I. Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority.
- II. “Bidder” (including the term ‘tenderer’, ‘consultant’ or ‘service provider’ in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.
- III. “Bidder from a country which shares a land border with India” for the purpose of this Order means:
 - a) An entity incorporated, established or registered in such a country; or
 - b) A subsidiary of an entity incorporated, established or registered in such a country; or
 - c) An entity substantially controlled through entities incorporated, established or registered in such a country; or
 - d) An entity whose beneficial owner is situated in such a country; or
 - e) An Indian (or other) agent of such an entity; or
 - f) A natural person who is a citizen of such a country; or
 - g) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above.
- IV. The beneficial owner for the purpose of (III) above will be as under:
 1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation -

 - a) “Controlling ownership interest” means ownership of or entitlement to more than twenty five percent of share or capital or profits of the company;
 - b) “Control” shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;

2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;

3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;

4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;

5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.

VI. The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

UNDERTAKING

I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I hereby certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered.

Place:

Date :

Signature of the Bidder
with rubber stamp of the Company

Enclosures:

1. Wherever applicable, evidence of valid registration by the Competent Authority shall be attached.

INTEGRITY PACT DOCUMENT AS APPROVED BY SCI

INTEGRITY PACT

Between

The Shipping Corporation of India Limited (SCI)
hereinafter referred to as “The Principal”,

and

_____ hereinafter referred to as “The Bidder/Contractor”.

PREAMBLE

The Principal intends to award, under laid down organizational procedures, contract/s for _____. The Principal values full compliance with all relevant laws of the land, rules, regulations, the principles of economical use of resources, and of fairness and transparency in its relations with its Bidder(s) and Contractor(s).

In order to achieve these goals, the Principal cooperates with renowned international Non-Governmental Organization “Transparency International” (TI). The Principal will appoint Independent External Monitors (IEMs) who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

SECTION 1 – COMMITMENTS OF THE PRINCIPAL

- (1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:
 - a. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or non-material benefit which the person is not legally entitled to.
 - b. The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder confidential/additional information through which the Bidder could obtain an advantage in relation to the tender process or the contract execution.
 - c. The Principal will exclude from the process all known prejudiced persons.

- (2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, the Principal will inform its Chief Vigilance Officer and in addition can initiate disciplinary actions.

SECTION 2 – COMMITMENTS OF THE BIDDER/CONTRACTOR

- (1) The Bidder/Contractor commits itself to take all measures necessary to prevent corruption. The Bidder/Contractor commits itself to observe the following principles during its participation in the tender process and during the contract execution.
- a. The Bidder / Contractor will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which they are not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
 - b. The Bidder / Contractor will not enter with other Bidder(s) into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelisation in the bidding process.
 - c. The Bidder / Contractor will not commit any offence under the relevant Anti-Corruption Laws of India; further the Bidder / Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted Electronically.
 - d. The Bidder / Contractor will, when presenting its bid, disclose any and all payments made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
 - e. Bidder / Contractor who has signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.
- (2) The Bidder / Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

SECTION 3 – DISQUALIFICATION FROM TENDER PROCESS AND EXCLUSION FROM FUTURE CONTRACTS

If the Bidder/Contractor, before contract award or during execution has committed a serious transgression through a violation of Section 2 or in any other form such as to put his reliability or credibility as Bidder into question, the Principal is entitled to disqualify the Bidder/Contractor from the tender process or take action as per the procedure mentioned in-the “Policy and Guidelines for Removal / Suspension / Banning of Entities”. **Copy of the “Policy and Guidelines for Removal / Suspension / Banning of Entities” is placed at Page Nos. 6 to 13.**

SECTION 4 – COMPENSATION FOR DAMAGES

- (1) If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover from the Bidder damages equivalent to Earnest Money Deposit / Bid Security.
- (2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to Security Deposit and /or Performance Bank Guarantee.
- (3) The Bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder / Contractor can prove and establish that the exclusion of the Bidder from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount of damages claimed by the Principal, the Bidder / Contractor shall compensate the Principal only to the extent of the damage in the amount proved.

SECTION 5 – PREVIOUS TRANSGRESSION

- (1) The Bidder declares that no previous transgressions occurred in the last three years with any other Company in any country conforming to the anti-corruption approach or with any Public Sector Enterprise in India that could justify its exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, the bidder can be disqualified from the tender process and/or action can be taken as per the procedure mentioned in “Policy and Guidelines for Removal / Suspension / Banning of Entities”.

SECTION 6 – EQUAL TREATMENT OF ALL BIDDERS / CONTRACTORS

- (1) In case of sub-contracting, the Principal Contractor shall take the responsibility of the adoption of Integrity Pact by the sub-contractor.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- (3) The Principal will disqualify from the tender process all Bidders who do not sign this Pact or violate its provisions.

SECTION 7 – CRIMINAL CHARGES AGAINST VIOLATING BIDDERS / CONTRACTORS

If the Principal obtains knowledge of conduct of a Bidder, Contractor or of an employee or a representative or an associate of a Bidder, Contractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer.

SECTION 8 – EXTERNAL INDEPENDENT MONITOR/ MONITORS

- (1) The Principal appoints competent and credible Independent External Monitor(s) for this Pact after approval by the Central Vigilance Commission. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his/her functions neutrally and independently. The Monitor would have access to all Contract documents, whenever required. It will be obligatory for him/her to treat the information and documents of the Bidders/Contractors as confidential. He/she reports to the Chairman, SCI.
- (3) The Bidder/Contractor accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his/her request and demonstration of a valid interest, unrestricted and unconditional access to its project documentation. The same is applicable to Subcontractors.
- (4) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (5) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he/she will so inform the Management of the Principal and request the Management to discontinue or heal the violation, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (6) The Monitor will submit a written report to the Chairman, SCI, within 8 to 10 weeks from the date of reference or intimation to him/her by the “Principal” and, should the occasion arise, submit proposals for correcting problematic situations.
- (7) If the Monitor has reported to the Chairman, SCI, a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairman has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.

(8) The word “Monitor” would include both singular and plural.

SECTION 9 – PACT DURATION

This pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by Chairman of the Principal.

SECTION 10 – OTHER PROVISIONS

- (1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered office of the Principal, i.e. Mumbai.
- (2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- (3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- (4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- (5) Issues like Warranty / Guarantee etc. shall be outside the purview of IEMs.
- (6) In the event of any contradiction between the Integrity Pact and its Annexure, the Clause in the Integrity Pact will prevail.

.....
For the Principal
(Official Seal)

.....
For the Bidder / Contractor
(Official Seal)

Place:

Witness 1:
(Signature and Name & Address)

Date:

Witness 2:
.....
(Signature and Name & Address)

BANNING GUIDELINES DOCUMENT

THE SHIPPING CORPORATION OF INDIA LTD. **Policy and Guidelines for Removal / Suspension / Banning of Entities**

1. INTRODUCTION

The Shipping Corporation of India Ltd. (SCI), a premier commercial organisation, is committed to maintaining ethics of the highest standard and adopt best industry practices in all its activities. During the course of business, SCI transacts with various firms and companies in their capacity as bidders / vendors / contractors / agents, hereinafter, referred to as the 'Entity'. SCI considers all its business dealings as a relationship and no relationship can be built on deceit or unethical conduct or repeated poor performance on the part of bidders/vendors/contractors/agents. SCI in all its business dealings endeavors to maintain competency, fairness, transparency, and it is expected that the other party to the deal will also uphold similar code of conduct.

This guideline on banning unscrupulous elements / parties is being adopted to weed out corrupt practices and repeated poor performance and their recurrence from the system.

Since banning of business dealings involves civil consequences for an Entity concerned, it is incumbent that adequate opportunity of hearing is provided and the explanation, if tendered, is considered before passing any order in this regard keeping in view the facts and circumstances of the case. Accordingly, during the proceedings as laid down in this document, the party / parties would be provided with ample opportunity to tender their explanations along with documentary evidence to present their case which would be duly considered based on the principles of natural justice. The banning guidelines are not applicable to any inadvertent or unintentional lapse on part of the party.

The decision of banning any business dealings would be taken only after it is established beyond doubt that the party has committed an act of deception, fraud or other misconduct (including repeated poor performance) in the tendering process or in the execution of contracts awarded / orders issued to them.

2. SCOPE

2.1 SCI reserves its rights to remove an entity from its list of approved suppliers / contractors or to ban business dealings and also to suspend business dealings pending investigation if that entity has been found to have committed misconduct.

2.2 The guiding principles and processes for

- (i) Removal of an Entity from the list of approved suppliers / contractors
- (ii) Suspension and

- (iii) Banning of an Entity from doing business with the Corporation, for a specified period, are laid down herein.
- 2.3 These guidelines apply to all firms / bidders / vendors / contractors / agents, etc. including those on approved panels, who have or are expected to have business dealings with SCI, and shall extend to all units, offices, establishments, subsidiaries and vessels of the SCI including those which get set up in future.
- 2.4 Without prejudice to the claims and rights of SCI in relation to subsisting arrangements, action under these guidelines would take effect prospectively.

3. **DEFINITIONS**

In these Guidelines, unless the context otherwise requires:-

- (i) The Expression ‘Party / Contractor / Supplier / Purchaser / Customer / Bidder / Vendor /Agent/ Entity’ includes a company incorporated in law, a firm (whether registered or not), an individual, HUF, a co-operative society or an association or a group of persons engaged in or expected to be engaged in business dealings with SCI.
- (ii) ‘Inter-connected Entity’ shall mean two or more companies having any of the following features: -
 - (a) If any or all of the Partner(s) / Functional Director(s) are common,
 - (b) If the Management is common,
 - (c) If the entity is controlled or is otherwise subservient to an entity against which action under these guidelines is taken or contemplated.
- (iii) ‘Competent Authority’ and ‘Appellate Authority’ shall mean the following:
 - (a) For banning any Entity, Indian or foreign, the “Competent Authority” would be a “Committee of Directors” comprising of the Director of the Division awarding the contract, Director (Finance) and the Director/s of the concerned Operations Divisions. The Committee will consist minimum three Directors. In case Director of the Division awarding the contract and the Director of the concerned operating Division are same, the Committee should co-opt one more Director from other Division.

The Chairman & Managing Director, SCI, shall be the ‘Appellate Authority’ in respect of such cases.

- (b) In case the original contract has been approved by the Chairman, then, for banning of the party, the competent authority would include the Chairman & Managing Director, Director (Finance) and Directors of the concerned operating divisions. In such a case an Appellate

Authority would be the SCI Board of Directors or a committee formed by the Board for the purpose.

- (c) For contracts where Board approval is mandatory for award, the Board or nominees of the Board would constitute the competent authority. In such cases any appeal would also lie with the Board.

Banning proposals initiated by the SCI branch offices would be heard by the same authorities as mentioned at **Clause 3 iii (a)** and **Clause 3 iii (b)** above, and would have a company-wide effect, unless otherwise specified by the Competent Authority.

- (iv) ‘Investigating Department’ shall mean any department / division / office of SCI investigating into the conduct of the Entity and shall include the Vigilance Department, “Central Bureau of Investigation, the State Police or any other authority or entity set up by the Central or State Government having powers to investigate”.
- (v) List of ‘Approved Entities’ – shall mean and include list of approved Parties /Contractors / Suppliers / Purchases / Customers / Bidder / Vendor / Agents’, if registered / contracted with SCI.

4. **GROUNDS FOR INITIATION OF BANNING BUSINESS DEALINGS**

- 4.1 If considerations of security, sovereignty, or friendly relations of the state with other countries or reasons of trade or commercial confidence of SCI so warrant.
- 4.2 If any persons by whatever designation / name holding control of the entity or having substantial influence in the affairs of the entity is convicted by a Court of Law for offences involving moral turpitude, during the last five years.
- 4.3 If there is strong reason to believe that the Directors, Proprietors, Partners, Managers of the Entity have been guilty of malpractices such as bribery, corruption, fraud, misrepresentation of facts, interpolations or other unfair /unethical practices, formation of cartel with other entities with a view to artificially hike the prices
- 4.4 If the Entity continuously refuses to return / refund the dues of SCI without showing adequate reason and this is not due to any reasonable dispute which would attract proceedings in arbitration or Court of Law.
- 4.5 If business dealings with the Entity have been banned by the Govt. or any other Central Public sector enterprise, then, such banning may also be extended for the same period as banned by the concerned Govt. / CPSE.
- 4.6 If any recommendation is received from Vigilance Division to ban business dealings with the Entity.

- 4.7 If the Entity has resorted to corrupt, fraudulent practices, coercion, undue influence, and other violations including misrepresentation of facts and / or fudging / forging / tampering of documents.
- 4.8 If the Entity uses intimidation / threats or brings undue outside pressure on the Corporation (SCI) or its officials in acceptance / performance of the job under the contract.
- 4.9 If the Entity indulges in repeated and / or deliberate use of delay tactics in complying with contractual obligations.
- 4.10 Established litigant nature of the Entity to derive undue benefit.
- 4.11 If the Entity misuses the premises or facilities of the Corporation (SCI), forcefully occupies tampers or damages the Corporation's properties including land, water resources, forests / trees, etc.
- 4.12 If the Entity employs a dismissed / removed public servant or employs a person convicted for an offence involving corruption or abetment of such offence.
- 4.13 Willful indulgence by the Entity in supplying substandard material irrespective of whether inspection was carried out by the company, its agents or its representatives.
- 4.14 Based on the findings of the investigation report of CBI / Police against the Entity for malafide/unlawful acts or improper conduct on the Entity's part in matters relating to SCI or even otherwise.
- 4.15 If the entity supplies poor/substandard materials as against mentioned in the Purchase Order/samples provided, if any or performs substandard quality of service and fails to rectify/replace the same even after reasonable extension of time given to such entity.
- 4.16 Continued poor performance or any other action of the vendors/contractors/Agents-which may result in damage to the brand image and/or result into commercial loss to SCI.
- 4.17 Failed to honor the bid without sufficient grounds.

(Note: The examples given above are only illustrative and not exhaustive. The Competent Authority may decide to ban business dealings for any good and sufficient reason).

5. **INITIATION OF BANNING / SUSPENSION**

The Contracting Department on receiving request to ban the Entity on any of the above grounds (as listed under **Clause 4**) will initiate the banning process by forming a Investigating Committee comprising of Representatives from concerned

User Division, Contracting Division and Finance Division. The User / Reporting Division to provide all relevant facts /material to the contract initiating Department / Division which will present it to the Investigating Committee. The Committee so formed will study the case and then submit its recommendations to the Competent Authority to decide on banning the Entity from all dealings with SCI. The Competent Authority and the appellate Authority would be as defined in **Clause 3.0 (iii)** as above.

6. **SUSPENSION OF BUSINESS DEALINGS DURING INVESTIGATION PERIOD**

- 6.1 If the conduct of any Entity dealing with SCI is under investigation, the Investigating Department will inform the concerned Divisional Director, who in turn will convene a meeting of the Competent Authority. The Vigilance Department will be informed as well, and the Chief Vigilance Officer can send his recommendations to the Competent Authority based on the same.
- 6.2 The Competent Authority may consider whether the allegations (under investigation) are of a serious nature and whether, pending investigation, it would be advisable to continue business dealings with the Entity. If the Competent Authority, after consideration of the matter, including the recommendations of the Investigating Department (if any), decides that it would not be in the interests of the Corporation to continue business dealings pending investigation, it may decide in favor of suspending business dealings with the Entity. The report of the Competent Authority must be submitted to the CMD, SCI, within 21 days from the receipt of the reference by the concerned Divisional Director and within the effective date of suspension.
- 6.3 The order of suspension will be passed by the concerned Divisional Director and would operate for a period of not more than six months from the date of issuance of such order, and may be communicated to the Entity as also to the Investigating Department.
- 6.4 The Investigating Department must ensure that their investigation is completed and the whole process of final order is over within such period. However, if investigations are not completed in six months' time, the Competent Authority may extend the period of suspension by another three months, during which period the investigations must be completed.
- 6.5 The order of suspension shall be communicated to all Departments / Divisions / branch offices of SCI. During the period of suspension, no business dealing may be held with the Entity.
- 6.6 As far as possible, other existing contract(s) with the Entity may continue, unless the Competent Authority, having regard to the circumstances of the case, decides otherwise.

- 6.7 If the Entity concerned asks for detailed reasons of suspension, the Entity maybe informed that its conduct is under investigation. It is not necessary to enter into correspondence or argument with the Entity at this stage.
- 6.8 It is necessary to give a show-cause notice to the Entity along with the order for suspension unless it is not expedient in the public interest to do so. The Entity has to be allowed to submit its written defense to the show-cause notice within 15 days. Competent Authority has to take the decision within thirty days of receipt of written defense.
- 6.9 Period of suspension shall be accounted for in the final order passed for Holiday listing (Banning business dealing) with the “Entity”.

7. **BANNING OF BUSINESS DEALINGS**

- 7.1 A decision to ban business dealings with any Entity shall normally apply throughout SCI, unless otherwise specified by the Competent Authority. The Competent Authority may restrict the ban to a Division/s or branch Office/s if in the particular case, banning of business dealings by the respective Unit will serve the purpose and achieve its objective and banning throughout the Corporation is not required in view of the local conditions and limited impact of the non-performance/misconduct / default.
- 7.2 There will be an Investigating Committee in each Division / Branch office, to be appointed by the Divisional Director, for processing cases of “Banning of Business Dealings” as referred in **Clause 5** above. The functions of the committee shall, inter-alia include:
- (i) To examine and report material and other circumstances to determine whether or not if a prima-facie case for banning exists.
 - (ii) To recommend for issue of show-cause notice to the Entity by the concerned department as per **Clause 8.1**.
 - (iii) To examine the reply to show-cause notice and call the Entity for personal hearing, if required.
 - (iv) To submit recommendations to the Competent Authority for banning or otherwise.
- 7.3 If the Competent Authority is prima-facie of the view that action for banning business dealings with the Entity is called for, a show-cause notice may be issued to the Entity as per paragraph 8.1 and an enquiry held accordingly.

8. **SHOW-CAUSE NOTICE**

- 8.1 In case where the Competent Authority decides that action against an Entity is called for, a show-cause notice has to be issued to the Entity. A statement containing the imputation of misconduct or misbehavior may be appended to the show-cause notice and the Entity should be asked to submit within 15 days a written statement in its defense.

- 8.2 On request from the Entity, necessary facility will be provided for inspection of relevant document/s in possession of SCI that establishes the grounds for banning (under **Clause 4**).
- 8.3 If no reply is received from the “Entity” within the specified period, the decision may be taken ex-parte. The Competent Authority will pass an appropriate speaking order after examining the materials on record.
- 8.4 The Competent Authority may consider and pass an appropriate order:
- (i) For exonerating the Entity if the charges are not established or
 - (ii) For removing the Entity from the list of approved Suppliers / Contactors, etc. or
 - (iii) For banning business dealings with the Entity.
- 8.5 The period for which the ban would be operative may be mentioned in the order. The period of Banning will be of two (2) years. The Competent Authority will have a right to extend the banning period for cases where issues are not resolved. It should also state explicitly that whether the ban would extend to the Inter-connected Entities based on case to case basis.

(9) **REMOVAL FROM LIST OF APPROVED ENTITIES - SUPPLIERS/ CONTRACTORS, ETC.**

- 9.1 If the Competent Authority decides that the charge against the Entity is of a minor nature, it may consider removing the name of the Entity from the list of approved Entities – Suppliers / Contractors, etc. – without recourse to an outright ban for a period of one (1) year or for the balance period of the contract whichever is longer.
- 9.2 The effect of such a removal order would be that the Entity would not be entitled to participate in both Open and Limited Tender Enquiries of SCI during such removal period.

10. **APPEALS AGAINST THE DECISION OF THE COMPETENT AUTHORITY**

- 10.1 No Appeal is permitted in case an Agency is Holiday Listed (Banning of business dealing) based on Ministry’s advice.
- 10.2 The Entity may file an appeal against the order of the Competent Authority banning business dealing etc. The appeal shall be filed to the Appellate Authority. Such an appeal shall be made within one month from the date of receipt of the order banning business dealing, etc.
- 10.3 The Appellate Authority would consider the appeal and pass appropriate orders which shall be communicated to the Entity as well as the Competent Authority.
- 10.4 **Duration of Banning**

Ordinarily the period for which an Agency is banned should not be less than six months and should not exceed 2 years. However, in extraordinary circumstances the period can be more than 2 years.

11. **REVIEW OF THE DECISION BY THE COMPETENT AUTHORITY**

Any petition / application filed by the Entity concerning the review of the banning order passed originally by Competent Authority under the existing guidelines either before or after filing of appeal before the Appellate Authority or after disposal of appeal by the Appellate Authority, the review petition can be decided by the Competent Authority upon disclosure of new facts / circumstances or subsequent development necessitating such review. The Competent Authority may refer the same petition to the Investigating Committee for examination and recommendation.

12. **CIRCULATION OF THE NAMES OF ENTITIES WITH WHOM BUSINESS DEALINGS HAVE BEEN BANNED**

12.1 The banning order will be issued to the Entity by the concerned contracting Divisional Director. It will also be circulated to all the Divisions and branch offices of the Corporation and the names of the banned entities will be posted on the SCI website.

12.2 Depending upon the gravity of misconduct established, the Competent Authority of the Corporate Office may circulate the names of the Entity with whom business dealings have been banned, to Government Departments, other Central Public Sector Enterprises, etc. for such action as they deem appropriate.

12.3 If a Government Department or a Central Public Sector Enterprise requests for more information about the Entity with whom business dealings have been banned, a copy of the report of Investigating Department together with a copy of the order of the Competent Authority/Appellate Authority may be furnished.

12.4 If business dealings with any Entity have been banned by the Central or State Government or any other Central Public Sector Enterprise, SCI may, without any further enquiry or investigation, issue an order banning business dealing with the Entity and its inter-connected Entities.

13. **EFFECT OF BANNING AND SUSPENSION OF AN ENTITY**

13.1 The entity after issue of order of banning /suspension shall be debarred from participating in any of the tenders of SCI during the banning/suspension period and the same shall also be hosted on SCI website.

13.2 If the entity has already participated in the tender and price bids are not opened, the technical bids of such entity will be rejected. If the price bid of the tender is already opened and happened to be L1, the tender has to be

cancelled and re-tender has to be issued. If the entity is not L1, the tender can be processed further.

- 13.3 Banning does not preclude a claim for damages for non-performance.
- 13.4 Banning does not affect any provision in the contract for the settlement of disputes or any other term of the contract which is to operate even after termination.

14. **REVOCAATION**

Suspension/ Removal of an entity shall be deemed to have been automatically revoked on the expiry of Suspension/ Removal period and it will not be necessary to issue a specific formal order of revocation. However, in case of Banned entities, the same shall continue to remain in force unless it is specifically revoked based on the firm's representation with the approval of the Competent Authority who has earlier accorded approval for banning.

- 14.1 In banning cases, where the proprietor of the entity, its employee, partner or representative is convicted by a court of law for offences involving moral turpitude in relation to business dealings, may be revoked if in respect of the same facts, accused has been wholly exonerated by court of Law.
- 14.2 A banning / suspension order may, on a review be revoked by the competent authority if it is of the opinion that the disability already suffered is adequate in the circumstances of the case.

These guidelines shall be applicable for and be part of the Tender document.
