

**Form of Agreement for the collection and removal of *Accacia auriculiformis* /  
*Accacia manjium* trees from Block ..... Sub Block.....of ..... Sub Unit.**

AGREEMENT made this ..... day of ..... between ..... and Shri ..... aged..... son of Shri ..... residing at ..... (herein after referred to as 'the contractor' which term shall unless the context indicates otherwise, includes, besides the said Sri..... his heirs, executors, administrators, legal representative and assigns) on the one part and Kerala Forest Development Corporation Ltd., Kottayam (herein after referred to as 'the Corporation') on the other part.

WHEREAS the contractor has bid in e-auction held at on ..... the right to collect and remove only the acacia auriculiformis trees in the area specified in the schedule attached hereto for an amount of Rs.....(Rupees.....) excluding GST and other dues thereon,

AND WHEREAS such bid has been accepted by the Managing Director of the Corporation in his order No.....dated on the terms and conditions hereinafter appearing.

AND WHEREAS the contractor has paid Rs (Rupees ..... ) being 35% of the sale value.

AND WHEREAS the contractor has on ..... deposited Rs.....(Rupees .....) an amount equal to 5% of the sale value as security for the due performance by him each and every condition of this contract.

AND WHEREAS the contractor has agreed to collect and remove the acacia and miscellaneous trees before the time specified in the schedule attached hereto, on the terms, covenants, conditions and provisions hereinafter mentioned. Now these presents witness that for carrying out the terms and conditions of this agreement into execution the contractor for himself, his heirs, executors, administrators, legal representatives and assigns on the one part and the Divisional Manager .....Division, acting for and on behalf of the Corporation on the other part do hereby mutually agree as follows:-

## Conditions

1. The Special terms and Condition documents and all communications to the successful H1 Bidder form part of this agreement.
2. The contractor or his men shall not enter the contract area or commence work without obtaining the license and sketch of the area issued by the Divisional Manager.
3. Timely completion shall be the essence of this contract.
4. **The period of contract is Six months from the date of execution of Agreement.**
5. The H1 bid value will be split on pro rata basis for the Timber and Firewood portions of the lot, with GST applicable only on the Timber portion.
6. The contractor having paid 35% sale value shall pay the Balance value along with applicable GST and other charges and taxes if any is to be paid within 40 days from the date of issuance of Sale Order. If the successful bidder fails to remit the amount as prescribed in the Sale Order within the prescribed time period, the bid will be treated as cancelled and all remittance including EMD will be forfeited without giving any notice and the lots will be re-auctioned at the risk and loss of the successful bidder and all the loss incurred because of re-auction will be the responsibility of the defaulter. Loss as mentioned above will be realized from the defaulter as per Revenue Recovery Act, 1968 or any other relevant Rules in force.
6. Failure to remit any of the above installments even during the extended period will entail cancellation of the contract and forfeiture of all money paid by the contractor to the corporation till then and all produce remaining in the contract area. The right thus cancelled will be resold at the risk and loss of the contractor.
7. In calculating interest even period below one month will be treated as one month.
8. The contractor shall keep the boundaries of the contract area well cleared of undergrowth and shrub to a width of 3 meters and shall also keep the cairns intact. If the contractor fails to do so, the work will be got done by the corporation and the cost thereof recovered from the contractor, in addition to any penalty which the Divisional Manager may impose.
9. The contractor shall fell & collect only **Accacia auriculiformis and miscellaneous trees** in the plantation out rightly sold.
10. Removal of produce from the contract area will be permitted only after the payment of full sale value and all taxes.
11. The contractor or his authorized agent shall be present at all times in the contract area. He shall employ an agent or agents to assist him in the work only with due approval by the Divisional Manager who may, at his discretion grant approval on submission of

request of the contractor giving details such as name, residential address and a specimen of the signature of the person proposed to be appointed as agent. The Divisional Manager reserves to himself the power to reject any of those persons proposed to be appointed as agent by the contractor. The contractor shall not engage as his agent or workmen any person already engaged by the Corporation or other contractors for any other works in the area and also those who are involved in any forest or wildlife offences.

**12.** The contractor shall provide each of his agents and other workmen with a written authorization, which should show his name, parentage, residence and period for which it is valid. The authorization must always be produced when demanded by any Officer of the Corporation.

**13.** The contractor shall comply with the orders and instructions issued by the Field Officer, Manager or the Divisional Manager from time to time in the matter of collection and removal of produce under this contract and shall also abide by the provisions of the Kerala Forest Act, Wildlife (Protection) Act, other enactments relating to conservation of bio-diversity and rules framed thereunder.

**14. (i)** The purchaser shall not assign and /or transfer tendered units to any other person or party without the specific orders of the Managing Director, who at his discretion may permit such assignment for transfer on payment of Rs 5 Lakhs..

**ii)** No transfer of the tendered unit shall be permitted if the harvesting in the said unit has already commenced.

**iii)** In case of transfer of tendered area from one purchaser to another purchaser who is qualified in all respects to participate in the tender-cum-auction, the transferee purchaser shall have to enter into fresh agreement with the Managing Director on the terms and conditions as mentioned above.

**15.** In the case of any question arising with regard to or objection being taken by any person, to the contractor's right to collect or store the produce collected in any part of the contract area or to remove the produce collected along any routes or through any part of the contract area ,the Manager may whenever any such questions arise, serve the contractor with a written notice prohibiting him from collecting or storing such produce or any of them from or in the whole or any part of such contract area or regulating the storing or removal of any produce. On the service of any such notice, the orders and directions therein contained shall until the same are varied by the Divisional Manager, be taken as part of the conditions of this contract, notwithstanding anything herein contained to the contrary and shall be observed and performed by the contractor as such. The contractor shall have no claim for any loss he may incur by carrying out the

provisions of any such notice nor for any loss caused to him by his being prevented or obstructed by any land owner or other persons on plea of right of ownership or right of enjoyment or otherwise from collecting, storing or removing any of the stock.

**16.** The contractor shall commence work in the area from one end and shall proceed to the other end in an orderly and systematic manner.

**17.** All the timber, firewood, etc. cut and collected by the contractor from the contract area shall be stored by him, for checking by the officers of the corporation before removal, along the sides of the roads within the contract area without causing any hindrance to the regeneration activities therein. All the produce collected should be got checked, released and transported under the cover of permits issued under the provisions of the Kerala Forest Produce Transit Rules (KFPT Rules) by the Officer authorized for the purpose. No transport will be allowed within the forest limits during night time i.e., between 6 p.m and 6 a.m. The contractor shall periodically submit to the Field Officer/Assistant Manager or the officer duly authorized a list of produce ready for removal and on receipt of the said list, arrangements will be made to check the stock and to issue transit permit as per KFPT Rules. The contractor shall not remove any produce not covered by valid and proper Transit Permits issued by the competent authority. All the produce removed in contravention of the provision of this condition will be liable to be confiscated to the corporation by the Divisional Manager and the contractor will also be liable to any other penalty as per law and as per conditions of this contract including forfeiture of his security for the violation of this condition as ordered by the Divisional Manager.

**18. (a) Permit for transport of produce**

The produce shall be transported by PURCHASER or their duly approved agent only under the cover of appropriate passes issued by the officer of KFDC to the premises of PURCHASER as stipulated in Kerala Forest Produce Transit Rules. PURCHASER shall transport the produce only along the routes approved by the Divisional Manager in accordance with KFPT Rules as well as provisions of Motor Vehicles Act and Rules made there under.

**(i)** Where the timber and firewood is to be transported to intermediate dumping sites within the plantation area itself the concerned Manager/Divisional Manager will issue the required Form – V permits to the Purchaser for transportation of the produce from collection site to dumping site on payment of cost of passes.

**(ii)** If the collected timber and firewood after checking could not be transported by the Purchaser to final destination within the state in a single consignment then necessary

Form VI (Yellow) Subsidiary Passes will be issued on demand by the Purchaser after realizing the cost of passes thereof.

**(iii)** The account for use of such permits shall be maintained by the purchasers and shall be produced to the concerned Manager/Divisional Manager on fortnightly basis.

**(iv)** The stocks of timber, fire wood and other produce collected from the contract area under the custody of the purchaser in transit is liable to be checked at any time by any officer, not below the rank of a Manager/Divisional Manager of the Corporation or any officer authorized by the Kerala Forest Department.

**(v)** The transportation shall be done on the route or routes prescribed by the Manager/Divisional Manager concerned or the Manager/Divisional Forest Officer concerned as the case may be, up to the intermediate depot or final destination as the case may be.

**19.** No charcoal burning will be allowed within the area under any circumstances.

**20.** When felling trees standing near the public road or thoroughfares, red flags with warning notice must be put up at places on either side of such roads at least 100 meters away from the felling point. Trees falling across the roads must be removed and obstruction cleared immediately.

**21.** The contractor shall not stock timber or other produce within the road limits causing hindrance to road traffic or damage to the road surface.

**22.** The contractor shall be held responsible for any loss or damage arising out of the non-observance of the terms and conditions above mentioned.

**23.** If any amount becomes due to any agent or workmen, or any other person engaged by the contractor, as per Workmen's Compensation Act or as per provisions of any Labour Law, such amount shall be paid by the contractor. Any failure to do so will be considered as a breach of the terms of this contract.

**24.** The contractor and his agent shall be responsible for any illicit felling or removal of trees or other produce within 400 meter of the contract area. Unless proved otherwise to the satisfaction of the Divisional Manager, such illicit felling may render this contract liable to be cancelled in addition to the forfeiture of all money paid by him and of all stock collected under this contract, but not removed from the contract area. The contractor will also be liable for prosecution and for payment of value of timber etc., illicitly felled or removed as assessed by the Manager/Divisional Manager. The contractor or his agent or workman shall report any such illicit felling or removal to the Manager or any other officer of the Corporation or any Forest officer as soon as the same comes to their notice.

**25.** The contractor, his agents and the workmen employed by him shall protect the entire contract area from fire. If any fire occurs in the Reserved Forests in the vicinity of the contract area the contractor, his best endeavors for extinguish the fire and everyone of such persons shall, in all cases, give immediate notice of the occurrence of fire within the said limits, to the nearest forest, police or revenue officials and the officers of the corporation.

**26.** For the purpose of transport of produce from the contract area the contractor shall use only such roads as approved by the Field Officer/Assistant Manager or any other officer of the Corporation authorized by the Divisional Manager.

**27.** The contractor shall complete all the works as per the contract including removal of all the stock from the contract area on or before the expiry of contract period. Under very special circumstances for good and sufficient reasons, the Divisional Manager may grant extension for a period of one month on realization of penalty as noted below. Under very special circumstances for sufficient reason further extension can be granted by the Managing Director at his discretion on realization of penalty.

1. Rs. 25,000/- per ha. per month for unfelled area. Part of 1 Ha will be treated as 1Ha.

2. Rs 2000/- per ha. per month for the uncleared area excluding the unfelled area above. Part of 1 Ha will be treated as 1ha.

3. Rs.20 per cubic meter of timber and Rs 60/- per stacked ton of firewood remaining un removed at the close of the original contract period.

4. Rs.10/- per cubic meter of timber and Rs.10/- per stacked ton of firewood per month for the produce collected during the extended period.

**28.** In the event of the contractor failing to remove the stock from the contract area by the expiry of contract period including the extended period, such stock shall be forfeited and shall revert to and become the absolute property of the Corporation and the contractor shall not by reason of such forfeiture, be entitled to any refund or abatement of the amount payable by or due from him under this contract. However transportation of collected and value paid produce which are stacked outside the extraction area will be permitted by the Divisional Manager for one month on realization of

(i). Ground rent @ Rs 20/- per cubic meter of timber and Rs 10/- per Stacked Tonne of firewood and penalty @ Rs.20/- per cubic meter of timber and Rs. 10/- Stacked Tonne /of firewood..

(ii). Further extension if any can be granted by the Assistant General Manager for 30 days on realization of ground rent @ Rs 30 per cubic meter of timber and Rs.20/-

Stacked Tonne / per month and penalty @ Rs. 30/- per cubic meter of timber and Rs.20/- per Stacked Tonne/ of fire wood per month.

(iii). Further extension if any can be granted by Managing Director at his discretion on realization of ground rent @ Rs 40 per cubic meter of timber and Rs.30/- Stacked Tonne/ per month for firewood & penalty at the rate of Rs.40/- per cubic meter of timber and Rs 30 per Stacked Tonne of firewood / per month.

**29.** Transport of stacked material shall be allowed during the closure period only subject to the conditions that such activities will in no way affect the regeneration works.

**30.** If the contractor fails to complete the work before the expiry of the contract period/ extended contract period, the contract will be cancelled and the sale rearranged at the risk and loss of the contractor.

**31.** If the contractor fails to complete the work before the expiry of the contract period/ extended contract period and the area could not be replanted, the expenditure incurred for raising nursery seedlings will be recovered from the contractor invariably.

**32.** The contractor shall be fully responsible for the acts of himself, his agents, and workmen and of all persons engaged by him to cut, collect, store and remove casuarinas trees or to perform any act under this contract. The contractor shall submit to the Field Officer/Assistant Manager /Manager in charge of the contract area a list of all agents, workmen and other persons engaged by him for the performance of this contract.

**33.** The contractor shall keep correct accounts in the form prescribed from time to time by the Manager/Divisional Manager, of all timber and firewood collected and removed under this contract and shall submit such accounts to the Field Officer/Assistant Manager before the 5th of the succeeding month failing which, the contractor shall be liable to pay a fine or Rs.100/- per month or fraction thereof for each and every default.

**34.** The contractor shall at all times comply with the provisions of the Kerala Forest Act, Wildlife Protection Act, Motor Vehicles Act and the rules framed there under.

**35.** If in the course of working it is found by the Divisional Manager that the progress of work in the contract area is not satisfactory, the Divisional Manager may cancel this agreement after giving one month's written notice to the contractor and make other arrangements for carrying out the works at the risk and loss of the contractor. But the contractor shall not be entitled to any profit the Corporation may derive from this arrangement.

**36.** In the event of any breach by the contractor or his agents or workmen of any of the conditions the Divisional Manager shall have the right, besides enforcing forfeiture of all or any part of the said deposit for imposing a fine or to cancel the contract by a written

notice and in such case the right under this contract may either be resold or the works as per the contract be got done by any other means as deemed fit by the Divisional Manager and the contractor shall be responsible for and shall make good to the Corporation any loss which the Corporation may sustain on account of any such resale or working by the Corporation, as the case may be, but shall have no claim to any surplus gain which the Corporation may realize thereby.

**37.** The contractor or his duly authorized agent shall be present in the contract area on the last day of the contract and he shall witness the mahazar prepared by the officers of the Corporation on the last day of the contract.

**38.** The security deposit or balance thereof if any, after deducting all amounts and liabilities due from the contractor under any of the above conditions, shall be returnable to the contractor within 6 months after the expiry of this contract period on production of clearance certificate for Income Tax, Sales Tax authorities.

**39.** If the entire dues from the contractor cannot be adjusted from the security deposit, or any other amount due to him from the Corporation such of the amounts as remaining un-recovered, under the terms of this contract shall be recoverable from him as arrears of land revenue under the Revenue Recovery Act for the time being in force, or in any other means as the corporation may deem fit.

**40.** In case any dispute arising between the Divisional Manager and the contractor as to any matter under this contract, such dispute shall be referred to the Managing Director of the Corporation whose decision thereon shall be final.

**41. Cancellation of the agreement**

(i). In the event of failure on the part of the purchaser to fulfill the provisions of tender Conditions and agreement conditions within the time limit prescribed, the Managing Director may cancel the sale and forfeit all the amounts paid by the purchaser including the Security Deposit duly reverting / confiscating the material released from the Plantations at site. This will be informed to the purchaser through Registered letter with Acknowledgment Due.

(ii) On cancellation of Agreement the plantation will be re-auctioned at the risk and cost of the purchaser. When the Unit is so re-auctioned, whatever best amount offered may be accepted irrespective of the original value of the unit put up for re-auctioned. The balance amount due to Kerala Forest Development Corporation Ltd., if any, will be recovered from the original Purchaser but he/she shall not be entitled to any excess amount if obtained in such a re-auction.



**42. Revocation of cancelled Agreement:**

(i). The Managing Director reserves the right to revoke the cancellation orders passed by him if the Purchaser fulfils the formalities of payment of amounts due to the Corporation including the due sale amounts, GST, Income Tax, penalties levied, penal interest, amount falling short in the Security Deposit etc., subsequent to termination or cancellation but before the resale/re-allotment or before confirmation of any bid in such resale and on payment of revocation fee of Rs. 25,000/- (Rupees Twenty Five Thousand Only.)

(ii). Whenever the cancellation of the agreement is revoked, the order of forfeiture of Security Deposit due to the cancellation shall stand revoked automatically.

**43.** Where the material is stocked in the plantation site / temporary dumping yard, the purchaser shall make his own arrangements to safeguard the produce in an appropriate manner besides insuring the same against any calamities. The Kerala Forest Development Corporation Ltd., will not be responsible for any loss or damage within the unit or at such a temporary intermediate depot.

**44. Seller is indemnified for any loss or damage:**

**(i)** The purchaser shall not be entitled to claim any compensation whatsoever in case the Kerala Forest Development Corporation Ltd., is not able to make available the plantation for extraction by the purchaser due to unforeseen circumstances like floods, cyclone, tempest, disease, pest, drought or any other natural calamities or by reason of any wrongful acts committed by any third party or any other reason whatsoever

**(ii)** The Kerala Forest Development Corporation Ltd., will not be responsible for any loss or damage that may be caused to the produce sold to the Purchaser as a result of fire, floods, theft or any other natural calamity from the date of handing over of the unit for felling and extraction till weighment at the purchaser's final destination.

**45. Force majeure:**

Kerala Forest development Corporation Ltd may revoke the agreement and withdraw from the compliance of the same in the event of circumstances beyond its control and in such an event it shall not be liable for any damage or loss, if any, caused to the purchaser.

**46. General:**

**(i)** The purchaser shall at all times abide by the provisions of Kerala Forest Act 1961 as amended and the Rules made there under.

**(ii)** GST and other taxes as applicable or modified from time to time shall be paid by the purchaser. This amount shall be remitted by the purchaser along with the sale value for the Quantities measured out by the Corporation as per the payment conditions.

**(iii)** The provisions of the Indian Income Tax and other Central/State Acts as applicable to the sale shall apply to the sale on confirmation and the Purchaser shall abide by the provisions of these Acts/Rules.

**(iv)** Any infringement of tender notice conditions and provisions of Kerala Forest Act , and other related Acts and the rules made there under as amended from time to time will entail cancellation of sale, termination of the Agreement and forfeiture of the amounts already paid and confiscation of the produce in the unit.

**47.** All disputes arising out of or in any way connected with this sale shall be deemed to have arisen in Thiruvananthapuram and within the jurisdiction of the Court of District of Thiruvananthapuram, which court shall determine such disputes.

IN WITNESS WHEREOF the contractor Shri ..... and the ..... Divisional Manager on behalf of the Corporation, have hereunto set their respective hands and seals on the day and the year above written.

Contractor

Divisional Manager,  
Thiruvananthapuram Division.

Signed, sealed and delivered by the above named ..... in the presence of

Witness 1:      Signature              Name & Address

Witness 2:      Signature              Name & Address

**UNDERTAKING.**

I . . . . . have read the e-auction special terms and conditions and attached agreement conditions and understood them. I have visited the plantations detailed in the schedule and satisfied myself of the quality of material and understood the locality and terrain for which I intend to participate in e-auction and I hereby agree to abide by all the terms and conditions and in case any loss occurred to the Corporation due to any failure in observing the conditions in the e-auction / Agreement by us /me, such loss can be recovered from me.

Signature:

Name & Address:

Place:

Date:

**CERTIFICATE**

I hereby certify that I have read the e-auction notice and agreement conditions in the e-auction notice issued vide Kerala Forest Development Corporation Ltd. Ref: ..... and understood the contents of the same. I agree to abide by these e-auction notice and agreement conditions and the offer as made above is subject to the said conditions, for which I bind myself.

Date :

Name in full

SIGNATURE

ADDRESS:

## **INTEGRITY PACT**

(To be executed on plain paper)

Between Kerala Forest Development Corporation Limited, a Government of Kerala Public Sector, (here-in-after referred to as "Principal"). AND \_\_\_\_\_ (here-in-after referred to as "The Bidder/ Contractor"). (Principal and the Bidder / Contractor are here-in-after are referred to individually as "Party" or collectively as "Parties").

### **PREAMBLE**

The Principal intends to award under laid down organizational procedures, contract for the sale of -----  
-----unit of ----- Division. Total area extent to -----  
----- hectars.

The Principal values full compliance with all relevant laws and regulations, and the principles of economic 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 will appoint an Independent External Monitor who will monitor the tender process, the execution of the contract etc. 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 in this regard:-

i) No employee of the Principal, either in person or through family members, including relatives, will in connection with the tender for or the execution of a contract, demand or accept a promise for or accept for him/herself or for a third person, any material or immaterial benefit to which he/she is not legally entitled.

ii) The Principal shall, during the tender process treat all Bidders with equity. The Principal undertakes and ensures that before and during the tender process shall provide and share the same information to all Bidders and will not provide to any Bidder confidential / additional information through which one particular Bidder could take an advantage in relation to the tender process or the contract execution.

iii) 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 Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office i.e, the office of the

Addl. Principal Chief Conservator of Forests (Vigilance) and in addition can initiate disciplinary actions.

## **Section 2 – Commitments and Undertakings by the Bidder/Contractor**

1. The Bidder / Contractor commits and undertakes to take all measures necessary to prevent malpractices & corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution:

i) The Bidder / Contractor undertakes not to, directly or through any other person or firm offer, promise or give or influence to any employee of the Principal associated with the tender process or the execution of the contract or to any other person on their behalf any material or immaterial benefit to which he / she is not legally entitled in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

ii) The Bidder / Contractor undertakes not to enter into any undisclosed agreement or understanding, whether formal or informal with other Bidders. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other action to restrict competitiveness or to introduce cartelization in the bidding process.

iii) The Bidder / Contractor undertakes not to commit any offence under the relevant Anti-corruption Laws of India. Further, the Bidder / Contractor will not use improperly 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 for the purposes of competition for personal gain and will not pass the information so acquired on to others.

iv) The Bidder / Contractor will, when presenting his bid undertakes to 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.

2. The Bidder / Contractor will not instigate and allure third persons / parties 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, before the award of contract, has committed a transgression through a violation of any provisions of Section 2 or in any other form so as to put his reliability or credibility as Bidder into question, the Principal shall be entitled to disqualify, put on

holiday or blacklist the Bidder including from the future tender process or to terminate the contract, if already signed, on that ground.

1. If the Bidder / Contractor has committed a transgression through a violation of any provisions of Section 2 so as to put his reliability or credibility into question, the Principal shall be entitled to exclude including blacklist and put on holiday the Bidder / Contractor from entering into any future contract tender processes of Kerala Forest development Corporation Ltd. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the Principal taking into consideration the full facts and circumstances of each case particularly taking into account the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder and the amount of the damage. The exclusion may be imposed for a minimum period of 6 months and maximum of three years.

2. A transgression is considered to have occurred if the Principal after due consideration of the available evidence, concludes that no reasonable doubt is possible.

3. The Bidder with its free consent and without any influence agrees and undertakes to respect and uphold the Principal's absolute rights to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.

4. Subject to the full satisfaction of the Principal, the exclusion of the Bidder / Contractor could be revoked by Principal prematurely if the bidder / contractor can prove that he has restored / recouped the damage caused by him and has installed a suitable corruption prevention system in his organization.

#### **Section 4 - Forfeiture of EMD / Security Deposits**

1. If the Principal has disqualified the Bidder from the tender process prior to the award in terms of Section 3, and during the execution of the contract, the Principal shall forfeit earnest money deposit / bid security money, encash the bank guarantee including due payments in addition to blacklisting or putting on holiday the bidder and terminating the contract.

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 Earnest Money Deposit / Security Deposit / 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 the liquidated damages, 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 swears on oath that no previous transgression has occurred during the last three years with any other Company in any country or including with any other Public Sector Enterprise / Undertaking in India that could justify his exclusion from the tender process.
2. If the Bidder makes incorrect statement on this subject, he shall be disqualified from the tender process or the contract, if already awarded, could be liable to be terminated on this ground.

#### **Section 6 – Equal treatment to all Bidders / Contractors / Subcontractors**

1. The Bidder / Contractor undertakes to demand from all its sub-contractors, if any, an undertaking and commitment in conformity with this Integrity Pact, and to submit it to the Principal before signing of the contract.
2. The Principal will enter into agreements with similar conditions, as stipulated herein, with all Bidders, Contractors and Subcontractors.
3. The Principal shall disqualify from the tender process all Bidders who do not sign this Pact or violate any of its provisions.

#### **Section 7 – Criminal charges against violating Bidders /Contractors / Sub-contractors**

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office / Department for initiating appropriate action for above.

#### **Section 8 –Monitoring for this Pact**

1. The Addl., Principal Chief Conservator of Forests who is in charge of the Vigilance function of Kerala Forest Development Corporation Ltd will have authority to carry out monitoring for this Pact. 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 any instructions by the representatives of the parties and performs his functions neutrally and independently. His decision will be communicated to the Managing Director of Kerala Forest development Corporation Ltd.
3. 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 request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Sub-contractors.
4. The Principal will provide to the Monitor sufficient information about the tender-cum-auction proceedings.
5. As soon as the Monitor notices, or believes to notice, a violation of this agreement he 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 binding recommendations.
6. The Principal will immediately act on the recommendations of the Monitor.

#### **Section 9 – Pact Duration**

The provisions of this Pact shall come into effect from the date of signing of this Pact by the both parties. 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 by either party 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 the Chairperson of the Principal.

#### **Section 10 – Miscellaneous provisions**

1. This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e.Kottayam. The Arbitration clause provided in main tender document / contract shall not be applicable for any issue /dispute arising under Integrity Pact.
2. Changes and supplements as well as termination notices, if any, need to be made in writing. Side agreements have not been made.
3. If the Contractor / Bidder is a partnership concern or a consortium, this agreement must be signed by all partners or consortium members.
4. In case any or several of the provisions of this agreement turn out to be void, the remainder of this pact shall remain valid. The parties to this pact however, shall strive to come to an agreement to their original intentions in such a case.

Signature

Signature

-----

(Name & Designation)

(Name & Designation)

For the Principal

For the Bidder/Contractor

Place -----

Date -----

Witness 1: -----

Witness 2: -----

## Appendix

### **Rule regarding the performance of Contract entered into with forest officers**

S.R.O.No.267/76.- In exercise of the powers conferred by clause(8) of section 76 of the Kerala Forest Act, 1961 (4 of 1962), the Government of Kerala hereby make the following rule regarding the performance of contract entered into with Forest Officer, namely:-

#### **RULE**

Persons entering into contract with Forest officers shall execute written agreement for the due performance of the contract and to reimburse damages and loss in case of breach. Whoever enter into any such contract with any Forest Officer acting on behalf of the Governor of Kerala shall, if so required by such Forest Officer, binds himself by a written instrument to perform such contract and to pay to such Forest Officer on behalf of the Governor of Kerala the expenses necessary for or incurred in the execution of any work or thing to be done which he had bound himself but has failed to do.

**Explanation.** – A person, who makes a written tender for a contract, or who signs the conditions of an auction sale at which he is a bidder such tender or conditions of sale being on or in a form furnished by a Forest Officer for that purpose, whereby he -

- (a) binds himself to perform the contract for which he tenders or bids, in the event of his tender or bid being accepted, or
- (b) binds himself not to withdraw his tender or bid during the time that may lapse before its acceptance or refusal is communicated to him, shall be deemed to have been required by such Forest Officer to bind himself as aforesaid, and in case –
- (c) on the acceptance of his tender or
- (d) on the making of his tender or bid to have bound himself accordingly, within the meaning of this rule; and any such person need not enter into a separate written instrument for the purpose, unless specially so required by the Forest Officer with whom he contracts.

#### **Explanatory Note**

(This note does not form part of the notification, but is intended to indicate its general purport)

In the Forest Department there are instances wherein contractors are backing out from contracts before the conformation of the contract by the competent authority. It is considered essential that the contractors are prevented from such backing out.

This rule is intended to achieve the above object.

*(Notification No.G.O.(P)62/76/AD dt. 23/02/1976, published in K.G.No.10 dt.09/13/1976.)*