



MAZAGON DOCK SHIPBUILDERS LIMITED

(Formerly known as Mazagon Dock Ltd.)

CIN: U35100MH1934GOI002079

(A Government of India Undertaking)

Dockyard Road, Mazgaon, Mumbai 400010. India.

Certified – ISO 9001:2008 for Shipbuilding Division

Website: www.mazagondock.in

EXPRESSION OF INTEREST

Department	:	SB Design-Contracts & Marketing
E-mail ID	:	pgopinath@mazdock.com
Phone No.	:	022 – 23763354/23763069.
Fax	:	022 - 2376 8159
EOI No.	:	MDL/MKTG/R&R/EOI/01
EOI Date	:	16 Jan 2024
EOI Closing date & time	:	14 Feb 2024 at 10:00 Hrs.
EOI Opening date & time	:	14 Feb 2024 at 10:30 Hrs.

CALL FOR EXPRESSION OF INTEREST FOR PARTICIPATION IN SUB-CONTRACTING/OUTSOURCING OF SHIP REPAIR WORK

1. INTRODUCTION

- a) Mazagon Dock Shipbuilders Limited (MDL) is a premier Shipbuilding Yard in India, located in Mumbai, under the Administrative control of Department of Defence Production, Ministry of Defence, and Government of India.
- b) MDL has expanded its operations by venturing into Ship Repairs & Refits and is participating in a number of competitive bids for securing orders for Repairs and Refits of ships / vessels, both in Commercial and Defence Sectors.
- c) An EOI is invited from firms who are technically competent and have proven track record of undertaking the Repair/Refit of commercial or defence vessels for a fixed term of **Three (03)** years.
- d) The qualified firms of this EOI shall be short listed and a Non-Disclosure Agreement (NDA) shall be signed between MDL and each of these parties with respect to confidentiality of Techno-Commercial Aspects. Other terms and conditions as may be required shall be detailed in the MoU which shall be signed between MDL and the shortlisted firms.

- e) The purpose of this EOI is to obtain proposals from experienced firms and to enable MDL shortlist the eligible firms for considering them for carrying out repair/refit work as per the working model enumerated in Para (2) below. The tender will be issued to only these shortlisted firms through Limited Tender Enquiry (LTE).

2. WORKING MODELS

The following working models are envisaged in this EOI

Sr No	Working Model	Geo Location	Man power	Marine Infra	Machinery	Consumables	Material
1	Sub-Contracting Model	MDL	Firm	Firm/MDL	Firm	MDL/Firm. This will be clearly indicated in the Tender Scope of Work.	
2	Outsourcing Model	Firm's Premises	Firm	Firm	Firm		
3	Mixed Model	MDL/ Firm's Premises	MDL/ Firm	Firm/ MDL	Firm		

- a) **Subcontracting Model:** In this model the entire repair/refit work will be executed by the Firm at MDL's Mumbai Yard / Nhava Yard or any other MDL designated repair facility. The necessary fixed marine infrastructure will be made available by MDL to the Firm. However the Firm shall arrange their manpower, tools & tackles, equipment, mobile crane, etc. as and when required as per the exigency of the work.
- b) **Outsourcing Model:** The repair/refit work will be carried out completely by the Firm in their own premises. The Firm is required to carry out the repair/refit work on a turnkey basis at their premises.
- c) **Mixed Model:** In this model the work will be partially carried out at MDL and partially at the Firm's premises.

In all the above cases, the material and consumables required for said work shall be either arranged by the Firm or will be supplied by MDL as Free Issue Material (FIM). This shall be clearly indicated by MDL in the SoW of the Tender which will be issued to the shortlisted firms through Limited Tender Enquiry (LTE).

3. OPERATING STRATEGY

- a) On receipt of RFP/Tender for undertaking Repair/Refit of any Commercial or Defence vessels, MDL shall study the scope of work and ascertain one of the above working models best suited for the Repair/Refit.

- b) MDL shall issue a Pre Bid Enquiry (PBE) for the work package which is required to be Subcontracted / Outsourced to the shortlisted firms. MDL shall evaluate the Technical Bids as well as Price Bids from these firms.
- c) MDL shall intimate the Technically Qualified L1 Bidder and shall enter into a Pre Bid Agreement (PBA) with the firm before onward submission of Final Quote to the Customer.
- d) In the event of MDL winning the contract from prospective customers, MDL will offload the respective Scope of Work to the selected Technically Qualified L1 bidder for undertaking the work as per extant Commercial procedures of MDL.
- e) MDL reserves right to hold technical and /or price negotiations with the Technically Qualified L1 Bidder, if required, during the bidding stage prior to submission of bid to prospective customers or prior to award of work to the Technically Qualified L1 Bidder.
- f) In the event of prospective customer deleting or modifying the SoW, the same shall be intimated by MDL to the Technically Qualified L1 Bidder associated with the respective RFP/Tender. Allocation of any additional work arising during the course of turnkey repair/refits shall be made at the discretion of MDL.
- g) All terms and conditions which are part of EOI shall be applicable to each tender enquiry for offloading work. Specific terms and conditions, as may be required, shall be detailed in the MoU which shall be signed between MDL and all the qualified and shortlisted firms of this EOI.

4. PRE-QUALIFICATION CRITERIA

The bidder shall submit the Self-Evaluation Form along with supporting documents as per the format placed at **Annexure-1**

- a) **Technical Qualification**: The bidder shall submit the following as a part of technical qualification.
 - i. Bidders Company Profile.
 - ii. List of infrastructure / equipment held by them along with details of their manufacturing facilities.
 - iii. Details of Personnel (Project Management Team) with designation, qualification and experience to determine their capabilities.
 - iv. Bidder shall not be under a declaration of ineligibility issued by Govt. of India / State Govt. / Public Sector Undertakings etc.

b) Commercial Qualification: The bidder shall submit the following as a part of commercial qualification.

- i. Bidders Registration Certificates as:
 - (a) Shop & Establishment registration certificate.
 - (b) Factory License.
 - (c) Certificate of Incorporation / Partnership deed as applicable.
 - (d) Registration certificate from local bodies for conducting business.
- ii. The Bidder shall enclose with its Proposal, certificate issued by Chartered Accountant with their seal and signature, stating the firms net worth & turnover during the past three years. Certificate shall be as per the format placed at **Annexure-3**.

5. EVALUATION CRITERIA

The relevant Evaluation criteria shall be as follows:

SL NO	CRITERIA\ CATEGORY	TECHNICAL			FINANCIAL			
		EXPERIENCE/ TRACK RECORD	INFRASTRUCTURE	HUMAN RESOURCES	AVERAGE ANNUAL TURNOVER	ANNUAL TURNOVER	WORKING CAPITAL	
1	REPAIR & REFITS OF DEFENCE VESSELS	CATEGORY A1: Weapon Intensive Warships (Destroyers / Frigates / etc)	<ul style="list-style-type: none"> • Shall be a single firm with past experience of minimum 05 years (as on 31st Mar 2023) in undertaking Refits/Repairs of Destroyer/ Frigates/etc. • Shall have executed the repair jobs not less than Rs. 3 crore per year. 		Shall have a team comprising of following trades: <ul style="list-style-type: none"> • Engineers (Relevant Field) • Designer/Draftsman • Estimators/Planners • Supervisors • Qc Inspectors • Highly Skilled Labour (Class Certified) • Skilled Labour • Unskilled Labour 	Shall have Avg. Annual turnover of Rs. 10 Cr during the last three years ending on 31 Mar 2023	Shall have annual turnover of Rs. 10 Cr for the last year ending on 31 Mar 2023	Shall demonstrate access to unutilised line of credit / overdraft facility/ cash credit facility from its consortium of banks. Alternatively or complimentarily should demonstrate liquid asset in form of cash/ marketable securities in its balance sheet.
		CATEGORY A2: Weapon Intensive Warships (Corvettes / Missile Vessels / etc)	<ul style="list-style-type: none"> • Shall be a single firm with past experience of minimum 05 years (as on 31st Mar 2023) in undertaking Refits/Repairs of Corvettes/ Missile vessels/ etc. • Shall have fabrication experience of steel and/or aluminium. • Shall have executed the repair jobs not less than Rs. 1 crore per year. 			Shall have Avg. Annual turnover of Rs. 5 Cr during the last three years ending on 31 Mar 2023	Shall have annual turnover of Rs. 5 Cr for the last year ending on 31 Mar 2023	
		CATEGORY B: Low Weapon Intensive Warships (LCU / OPV / ASW / MPV / etc)	<ul style="list-style-type: none"> • Shall be a single firm with past experience of minimum 05 years (as on 31st Mar 2023) in undertaking Refits/Repairs of Naval OPV/LCU/ASW/etc. • Shall have fabrication experience of steel and/or aluminium. • Shall have executed the repair jobs not less than Rs. 1 crore per year. 			Shall have Avg. Annual turnover of Rs. 5 Cr during the last three years ending on 31 Mar 2023	Shall have annual turnover of Rs. 5 Cr for the last year ending on 31 Mar 2023	
		CATEGORY C: Aux Ships & Support Vessels (Survey Vessels / FPV / IB / etc)	<ul style="list-style-type: none"> • Shall be a single firm with past experience of minimum 03 years (as on 31st Mar 2023) in undertaking Refits/Repairs of Naval AUX & Support vessels. • Shall have fabrication experience of steel and/or aluminium. • Shall have executed the repair jobs not less than Rs. 75 lakhs per year. 			Shall have Avg. Annual turnover of Rs. 2 Cr during the last three years ending on 31 Mar 2023	Shall have annual turnover of Rs. 2 Cr for the last year ending on 31 Mar 2023	
		CATEGORY D: Minor Naval Combatant & Support Yard crafts	<ul style="list-style-type: none"> • Shall be a single firm with past experience of minimum 03 years (as on 31st Mar 2023) in undertaking Refits/Repairs of minor Naval Combatant & Support Yard crafts. • Shall have fabrication experience of steel and/or aluminium. • Shall have executed the repair jobs not less than Rs. 50 lakhs per year. 			Shall have Avg. Annual turnover of Rs. 1 Cr during the last three years ending on 31 Mar 2023	Shall have annual turnover of Rs. 1 Cr for the last year ending on 31 Mar 2023	

SL NO	CRITERIA\ CATEGORY		TECHNICAL			FINANCIAL		
			EXPERIENCE/ TRACK RECORD	INFRASTRUCTURE	HUMAN RESOURCES	AVERAGE ANNUAL TURNOVER	ANNUAL TURNOVER	WORKING CAPITAL
2	REPAIR & REPAIRS OF COMMERCIAL VESSELS	CATEGORY X Commercial Vessels (TANKER/CONTAINER/BULKER /etc)	<ul style="list-style-type: none"> Shall be a single firm with past experience of minimum 05 years (as on 31st Mar 2023) in undertaking Repairs of TANKERS/ CONTAINER/ BULKER/ etc). Shall have executed the repair jobs not less than Rs. 1 crore per year. 			Shall have Avg. Annual turnover of Rs. 5 Cr during the last three years ending on 31 Mar 2023	Shall have annual turnover of Rs. 5 Cr for the last year ending on 31 Mar 2023	
		CATEGORY Y Support Vessels & Yard crafts (OSV/MSV/TUGS/BARGE/etc)	<ul style="list-style-type: none"> Shall be a single firm with past experience of minimum 03 years (as on 31st Mar 2023) in undertaking Repairs of Support vessels & yard crafts such as OSV/TUGS/ BARGE/ MSV/ etc. Shall have fabrication experience of steel and/or aluminium. Shall have executed the repair jobs not less than Rs. 25 lakhs per year. 			Shall have Avg. Annual turnover of Rs. 1 Cr during the last three years ending on 31 Mar 2023	Shall have annual turnover of Rs. 1 Cr for the last year ending on 31 Mar 2023	
		CATEGORY Z Floating Marine Structures (OFFSHORE/CASSION GATE/etc)	<ul style="list-style-type: none"> Shall be a single firm with past experience of minimum 03 years (as on 31st Mar 2023) in undertaking Repairs of dry dock gates/ offshore structures/etc. Shall have executed the repair jobs not less than Rs. 75 lakhs per year. 			Shall have Avg. Annual turnover of Rs. 1 Cr during the last three years ending on 31 Mar 2023	Shall have annual turnover of Rs. 1 Cr for the last year ending on 31 Mar 2023	
3	MODUS OPERANDI	SUB-CONTRACTING		<ul style="list-style-type: none"> Material handling capacity hull/superstructure repair capability Quality control: ISO 9001:2005 or higher 				
		OUTSOURCING		<ul style="list-style-type: none"> Infrastructure: repair dock/ berth lifting capacity material handling capacity hull/superstructure repair capability Quality control: ISO 9001:2005 or higher 				
		MIXED		<ul style="list-style-type: none"> Infrastructure: repair dock/ berth lifting capacity material handling capacity hull/superstructure repair capability Quality control: ISO 9001:2005 or higher 				

6. EXECUTION PLAN & METHODOLOGY

Bidder has to submit an Execution Plan & Methodology along with timelines for undertaking the Repairs & Refits as per the Scope of Work.

7. INTEGRITY PACT

The bidders shall sign and submit an “Integrity Pact (IP)” to be executed between the bidder and Mazagon Dock Shipbuilders Limited along with the bid as per Annexure-4.

8. INSTRUCTION TO BIDDERS RESPONDING TO EOI

- a) MDL reserves the right to modify, expand, restrict, scrap this proposal or reject any Expression of Interest without assigning any reason thereof.
- b) MDL reserves the right to make inquiries with any of the clients listed by the bidders in their previous experience record. Further MDL may ask the firm to make presentation to understand the capability of the firm w.r.t project planning, capability, experience, approach methodology etc.
- c) The interested parties may visit MDL facilities at Mumbai and Nhava to assess the workplace and get first-hand information regarding the infrastructure.
- d) It may be noted that MDL will not reimburse any cost incurred by the bidders towards the preparation and submission of the EOI.
- e) The proposal and all associated correspondence shall be in English.
- f) MDL reserves the right to visit the work facility of bidders to verify the adequate infrastructure facilities. In the absence of adequate infrastructure facilities, the offer submitted is liable for rejection and hence will not be considered for prequalification.

9. BID REJECTION CRITERIA

MDL may at its sole discretion and at any time during the evaluation of proposal, disqualify any bidder, if they have:

- a) Bids received after due date.
- b) Bidder's failure to furnish sufficient or complete details for evaluation of the bids within the given period.
- c) Incomplete / misleading / false / ambiguous in the proof of eligibility requirements.
- d) Failed to produce clarifications related thereto, when sought.
- e) Bids not meeting qualification criteria.
- f) Submitted more than one proposal.
- g) Declared ineligible by the Government of India / State govt. / Public sector undertaking.
- h) Bids with technical requirements and or terms not acceptable to MDL.

- i) Information relating to the evaluation, clarification and recommendation for pre-qualification shall not be disclosed to bidders or any other persons not officially concerned with such process until the pre-qualification process is completed. Any effort by the bidder to influence MDL prequalification process may result in rejection of his EOI.

10. **PRE-BID MEETING**

The bidder or his official representative is advised to attend a Pre-bid meeting which will be convened at MDL, Mumbai-10. The meeting shall be attended by techno-commercially competent senior representative(s) of the bidder duly authorized. Date and time of the Pre- bid meeting is **25 Jan 2024** at 10.00 AM at D-C&M Conference Room, 1st Floor, West Block, Mazagon Dock Shipbuilders Ltd.

All bidders are advised to study the bid document thoroughly and come prepared for the meeting. The purpose of the meeting will be to clarify or address doubts / suggestions, modifications, if any on the bid document and to address queries on any issues that may be raised at that stage. Minutes of meeting will be prepared. Any bidder requiring a clarification of the proposal document must notify MDL in writing, at least four (4) days in advance to the pre-bid date in the pre-bid questionnaire format placed at **Annexure-2**. Any request for clarification in writing must be addressed to pgopinath@mazdock.com and sdipu@mazdock.com with a copy to pdhanaraj@mazdock.com. The compilation of all clarifications sought / queries raised during the pre-bid meeting and its replies shall be published on MDL / Govt. website.

Any modification of the tender/ call for EOI documents which may become necessary as a result of the pre-bid meeting shall be made by MDL exclusively through the issuance of an addendum or corrigendum in MDL website/ Govt website. At any time before the submission of proposal, MDL may, for any reasons, whether at its own initiative or in response to a clarification requested by a bidder, modify the documents by amendment. The amendment will be notified only on MDL / Govt. websites and no separate paper advertisements will be issued. The bidders are requested to keep themselves informed of the development by visiting MDL website www.mazagondock.in regularly. Such amendments shall be binding upon them.

Non-attendance at the pre-bid meeting will not be a cause for disqualification. No queries will be entertained after the pre-bid meeting.

11. **SUBMISSION OF PROPOSAL AGAINST EXPRESSION OF INTEREST**

Proposal (Original + one soft copy) super-scribing the enquiry number, enquiry subject, last date for receipt of EOI along with all credentials mentioned above shall be addressed to :

General Manager (Design),
Mazagon Dock Shipbuilders Limited,
Dockyard road, Mumbai 400010

12. The contact point for any clarification / correspondence at MDL, Mumbai is:

<p>P. Gopinath DGM (D-C&M)</p> <p>Email : pgopinath@mazdock.com Contact No : 022-23763354</p>	<p>Praveen Kumar M (D-C&M)</p> <p>Email : praveenkumar@mazdock.com Contact no : 022-23763069</p>
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Yours faithfully,
For Mazagon Dock Shipbuilders Limited,

P Gopinath
Deputy General Manager (D-C&M)

List of Annexures:

- Annexure - 1 : Technical Capacity Self-Assessment Form
- Annexure - 2 : Pre-Bid Questionnaire
- Annexure - 3 : Format for Financial Capability
- Annexure - 4 : Format of Integrity Pact

TECHNICAL CAPACITY SELF - ASSESSMENT FORM

Annexure-1

Name of Organisation:

Date of Establishment:

Ship Repair Experience:

Years

	CRITERIA\CATEGORY	MATERIALS			REPAIR & REFITS OF DEFENCE VESSELS					REPAIR OF COMMERCIAL VESSELS		
		STEEL	ALUMINIUM	FRP	CAT A1	CAT A2	CAT B	CAT C	CAT D	CAT X	CAT Y	CAT Z
1	<u>INFRASTRUCTURE</u>											
1.1	Dry Dock / Slipway / Ship Lift / etc.											
1.2	Water Frontage / Berthing Facility											
1.3	Bending & Forming Facility											
1.4	Material Handling Facility (Crane / Hydra / EOT / Fork Lift / etc.)											
1.5	Welding Equipment											
1.6	Quality Control (ISO 9001:2008 or later)											
2	<u>EXPERIENCE/TRACK RECORD</u>											
2.1	Minimum experience of 05 Years in undertaking Repairs / Refits											
2.2	Hull Fabrication experience											
3	<u>HUMAN RESOURCES</u>											
3.1	Engineers											
3.2	Designers/Draughtsman											
3.3	Estimators/Planners											
3.4	Supervisors											
3.5	Qc Inspectors											
3.6	Highly Skilled Labour (Class Certified)											
3.7	Skilled Labour											
3.8	Unskilled Labour											
4	<u>WORKING MODEL</u>											
4.1	Subcontracting											
4.2	Outsourcing											
4.3	Mixed Model											

Annexure-2**FORMAT FOR PRE-BID QUESTIONNAIRE**

Sl. No.	Reference Clause	Page No.	Description	Tenderer Suggestion / Query	MDL Reply
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Signature & Seal

Annexure-3**FORMAT FOR FINANCIAL CAPABILITY**

Sl. No.	Last three Financial Year	Annual Turnover	Profit after Tax (PAT)	Net worth at the end of the financial year
1				
2				
3				
4				

To be signed by the Authorized Signatory of the Applicant with Name, Designation, seal and date.

Last three Financial Year

CERTIFICATE FROM CHARTERED ACCOUNTANT

This is to certify that _____ (name of the Applicant) has received the payments shown above against the respective years and that the net worth is as computed.

Signature:

Name:

Designation:

Name of firm:

Seal of Audit firm.

Annexure-4

PRE CONTRACT INTEGRITY PACT

Mazagon Dock Shipbuilders Limited (MDL) hereinafter referred to as "**The Principal**"

And.....hereinafter referred to as "**The Bidder**"

Preamble

	<p>The Principal intends to award, under laid down organizational procedures, contract/s forThe Principal values full compliance with all relevant laws of the land rules, regulations, economic use of resources and of fairness / transparency in its relations with its Bidder(s). In order to achieve these goals, the Principal will appoint an Independent External Monitor (IEM), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.</p>
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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 immaterial 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(s) confidential/additional information through which the Bidder(s) 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.
	d) The Principal undertakes to scrupulously follow the tender containing Standard Terms & Conditions (STAC) and General Terms & Conditions (GT&C) in respect of procurement contracts for goods, services and civil works.
(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 the Chief Vigilance Officer, MDL and in addition can initiate disciplinary actions.

Section 2 - Commitments of the Bidder(s):

(1)	The Bidder(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.
	a) The Bidder(s) will not, directly or through any other persons 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 he/she is not legally entitled to, in order to obtain in exchange any advantage or any kind whatsoever during the tender process or during the execution of the contract.
	b) The Bidder(s) will not enter with other Bidders 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 cartelization in the bidding process.

	c)	The Bidder(s) will not commit any offence under the relevant Anti-Corruption Laws of India; further the Bidder(s) will not use improperly, for purposes of competition or personal gain, or pass on to other, 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(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly, the Bidder(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. All payments made to the Indian Agent/representative have to be in Indian Rupees only. Further details as mentioned in the "Guidelines of Indian Agents of Foreign suppliers" shall be disclosed by the Bidders(s)/Contractor(s). Copy of the "Guidelines on Indian Agents of Foreign Suppliers" as annexed and marked as Annexure-A.
	e)	The Bidder(s) will when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
	f)	The Bidder (s)/Contractor(s), their agents, representatives shall not do such things so as to interfere with the procedures laid down in the Principal's tender containing the Standard Terms and Conditions (STAC) and General Terms and Conditions (GT&C) in respect of procurement contracts for goods, services and civil works.
	g)	The Bidder commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
(2)		The Bidder(s) will not instigate third persons to commit offences outlines above or be an accessory to such offences.

Section 3 - Disqualification from tender process and exclusion from future contracts:

		If the Bidder(s) before contract award or during execution of Contract has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility as Bidder(s) in question, the Principal is entitled to disqualify the Bidder(s) from the tender process or to terminate the contract, if already signed for such reason, as per the procedure mentioned in the "Guidelines on Banning of business dealings" Copy of the "Guidelines on Banning of business dealings" is annexed and marked as Annexure-B.
	1)	If the Bidder(s) has committed a transgression through a violation of Section 2 such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Bidder(s) from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder(s) and the amount of the damage. The exclusion will be imposed for a minimum of <u>six</u> months and maximum of <u>five</u> years, which may be further extended at the discretion of the Principal.
	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(s) accepts and undertakes to respect and uphold the Principal's absolute right 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 legal advice.
	4)	If the Bidder(s) can prove that he has restored/ recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion prematurely.

Section 4 – Sanctions for Violation:

(1)	Any breach of the aforesaid provisions by the Bidder or any one employed by him or acting on his behalf (whether with or without the knowledge of the Bidder) or the commission of any offence by the Bidder or any one employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act 1988 or any other Act enacted for the prevention of corruption shall entitle the Principal to take all or any one of the following actions, wherever required –
	a) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the Bidder. However, the proceedings with the other Bidder(s) would continue.
	b) The Earnest Money Deposit/Security Deposit/Performance Bond shall stand forfeited either fully or partially, as decided by the Principal, and the Principal shall not be required to assign any reason there for.
	c) To immediately cancel the contract, if already signed, without giving any compensation to the Bidder.
	d) To recover all sums already paid by the Principal, in case of an Indian Bidder with interest thereon at 2% higher than the prevailing Base Rate of SBI, and in case of a Bidder from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the Bidder from the Buyer in connection with any other contract for any other Defence stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.
	e) To en-cash the advance Bank Guarantee and Performance Bond/Warranty bond, if furnished by the Bidder, in order to recover the payments, already made by the Principal, along with interest.
	f) To cancel all or any other contracts with the Bidder.
	g) To debar the Bidder from entering into any bid from Principal for a minimum period of five years, which may be further extended at the discretion of the Principal.
	h) To recover all sums paid in violation of this Pact by Bidder(s) to any middleman or agent or broker with a view to securing the contract.
	i) If the Bidder or any employee of the Bidder or any person acting on behalf of the Bidder, either directly or indirectly, is closely related to any of the officers of the Buyer, or alternatively, if any close relative of an officer of the Buyer has financial interest/stake in the Bidder's firm, the same shall be disclosed by the Bidder at the time of filing of tender. Any failure to disclose the interest involved shall entitle the Buyer to rescind the contract without payment of any compensation to the Bidder.
	j) The term 'close relative' for this purpose would mean spouse whether residing with the Principal's employee/employees or not, but not include a spouse separated from the Principal's employee/employees by a decree or order of a competent court; son or daughter or step son or step daughter and wholly dependent upon Principal's employee/employees, but does not include a child or step child who is no longer in any way dependent upon the Principal's employee/employees or of whose custody the Principal's employee/employees has been deprived of by or under any law; any other person related, whether by blood or marriage, to the Principal's employee/employees or to the Principal's employee/employees wife or husband and wholly dependent upon Principal's employee/employees.
	k) The Bidder shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the Principal, and if he does so, the Principal shall be entitled forthwith to rescind the contract and all other contracts with the Bidder. The Bidder shall be liable to pay compensation for any loss or damage to the Principal resulting from such rescission and the Principal shall be entitled to deduct the amount so payable from the money(s) due to the Bidder.
	l) In cases where Irrevocable Letters of Credit have been received in respect of any contract signed by the Principal with the Bidder, the same shall not be opened.
(2)	The decision of the Principal to the effect that a breach of the provisions of this Integrity Pact

	has been committed by the Bidder shall be final and binding on the Bidder, however, the same Bidder can approach the Monitor(s) appointed for the purposes of this Pact.
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Section 5 - Integrity Pact Bank Guarantee (IPBG): Not Applicable

(1)	Every Bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of * _____ in favour of the Principal in Indian Rupees/Foreign Currency.
	a) Guarantee will be from an Indian Nationalized Bank/Scheduled Bank in case of Indigenous Bidders. For Foreign Bidders, Bank Guarantee shall be from a Bank of International repute as updated by SBI from time to time, promising payment of the guaranteed sum to Mazagon Dock Shipbuilders Limited (MDL/GRSE/Principal), on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the Principal/ Buyer shall be treated as conclusive proof for payment. A Model Bank Guarantee format is enclosed.
(2)	The Integrity Pact Bank Guarantee (IPBG) shall be valid upto and including 45 days after the validity of commercial offer. However, bidders will be required to extend the Integrity Pact Bank Guarantee, as and when required by the Principal. In the case of the successful bidder, validity of the Integrity Pact Bank Guarantee will be extended upto the satisfactory completion of the contract, Integrity Pact Bank Guarantee shall be returned promptly in case of unsuccessful bidders.
(3)	In the case of successful bidder a clause would also be incorporated in the Article pertaining to Performance Bond in the Purchase Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the Principal to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
(4)	The provisions regarding Sanctions for violation of Integrity Pact include forfeiture of Performance Bond in case of a decision by the Principal to forfeit the same without assigning any reason for imposing sanction for violation of Integrity Pact.
(5)	No interest shall be payable by the Principal to the Bidder(s) on Earnest Money/Security Deposit for the period of its currency.

Section 6 - 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 other public sector enterprise in India that could justify his exclusion from the tender process.
(2)	If the bidder makes incorrect statement on this subject, he can be disqualified from the tender process or further action can be taken.

Section 7 - Equal treatment of all Bidders/Contractor(s)/Subcontractors:

(1)	The Bidder(s) undertake(s) to demand from all subcontractors a commitment in conformity with this integrity Pact, and to submit it to the Principal before contract signing.
(2)	The Principal will enter into agreements with identical conditions as this one with all bidders, contractors and subcontractors.
(3)	The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 8 - Criminal charges against violation Bidder(s)/ Subcontractor(s):

(1)	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
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	which constitutes corruption or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer, MDL.
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Section 9 - Independent External Monitor/Monitors:

(1)	<p>The Principal appoints competent and credible independent External Monitor 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. The contact details of independent External Monitor for MDL:</p> <table border="1" data-bbox="248 524 1450 595"> <tr> <td>Shri. P.V.Rao, IRS(Retd.) Email id: pasupuletirao@yahoo.co.in</td> <td>Shri Subhas Chandra, IAS(Retd) Email ID: subhash59@hotmail.com</td> </tr> </table>	Shri. P.V.Rao, IRS(Retd.) Email id: pasupuletirao@yahoo.co.in	Shri Subhas Chandra, IAS(Retd) Email ID: subhash59@hotmail.com
Shri. P.V.Rao, IRS(Retd.) Email id: pasupuletirao@yahoo.co.in	Shri Subhas Chandra, IAS(Retd) Email ID: subhash59@hotmail.com		
(2)	The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairman & Managing Director of the Principal.		
(3)	The Bidder(s) 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 request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/Subcontractor(s) with confidentiality.		
(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 will so inform the Management of the Principal and request the Management to discontinue or take corrective action, 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. However, the Monitor shall give an opportunity to the Bidder(s) to present its case before making its recommendation to the Principal.		
(6)	The Monitor will submit a written report to the Chairman & Managing Director of the Principal within 8 to 10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.		
(7)	Monitor shall be entitled to compensation on the same terms as being extended to / provided to Independent Directors on the Board of Principal.		
(8)	If the Monitor has reported to the Chairman & Managing Director of the Principal, a substantiated suspicion of an offence under relevant Anti Corruption Laws of India and the Chairman & Managing Director of the Principal has not, within the 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.		
(9)	The word 'Monitor' would include both singular and plural.		

Section 10 - Pact Duration:

	<p>The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the PRINCIPAL and the BIDDER/Seller, including warranty period, whichever is later. In case BIDDER is unsuccessful; this Integrity Pact shall expire after six months from the date of the signing of the contract</p> <p>If any claim is made / lodged during this time, the same shall be binding and continue to be</p>
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	valid despite the lapse of this pact as specified above unless it is discharged / determined by Chairman & Managing Director of the Principal.
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Section 11 - 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 (For MDL). The Arbitration clauses provided in the main tender document/ contract shall not be applicable for any issue/dispute arising under this Integrity pact.
(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.

Section 12 – Fall Clause:

“The Bidder undertakes that it has not supplied/is not supplying similar products/ systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar product/systems or sub systems was supplied by the Bidder to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance of elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the Bidder to the Principal, if the contract has already been concluded.”

The parties hereby sign this Integrity Pact at on

<p>For Mazagon Dock Shipbuilders Ltd.</p> <p>Authorized Signatory</p> <p><u>Witness</u></p> <p>1)</p> <p>2)</p>	<p>For Bidder</p> <p>Authorized Signatory</p> <p><u>Witness</u></p> <p>1)</p> <p>2)</p>
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