



## **CODE OF CONDUCT FOR BIDDERS, SUPPLIERS AND VENDORS**

**Clark Electric Distribution Corporation (CEDC)** is strongly committed to observing the highest ethical standards in all its procurement activities. This *Code of Conduct For Bidders, Suppliers, And Vendors* (the “Code”) aims to provide a clear summary of CEDC's expectations from all the bidders, suppliers, and vendors in all its procurement dealings. Transparency and accountability should be strictly adhered to in all procurement activities.

CEDC procurement ethics focuses on honest representation of the capabilities of the bidder, supplier, and vendor, zero tolerance on corruption, and avoidance of any form of conflict of interest. As such, bidders, suppliers, and vendors are strongly urged to familiarize themselves with this Code of Conduct to ensure successful working relations with CEDC.

### **Policy on Corruption, Fraudulent, Collusive, Coercive, and Obstructive Practices**

Bidders, suppliers, and vendors offering to sell goods and services to CEDC must avoid unacceptable business practices and strictly comply with all rules and regulations against bribery and corruption. Bidders, suppliers, and vendors shall observe the highest standard of ethics during the procurement and execution of the Contract. Hence, the bidders, suppliers, and vendors shall refrain from engaging in corrupt, fraudulent, collusive, coercive, and obstructive practices, defined as follows:

- a. **“Corrupt Practice”** means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others or induce others to do so, by misusing the position in which they are placed, and includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution;
- b. **“Fraudulent Practice”** means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of CEDC, and includes collusive practice among the bidders (prior to or after the bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive CEDC of the benefits of free and open competition;
- c. **“Collusive Practices”** mean a scheme or arrangement between two or more bidders, with or without CEDC’s knowledge, designed to establish bid prices at artificial, non-competitive levels;
- d. **“Coercive Practices”** means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract;
- e. **“Obstructive Practice”** is:



- i. deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or investigation or making false statements to investigators in order to materially impede administrative proceedings or investigations into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the administrative proceedings or investigation; or from pursuing such proceedings or investigation; or
- ii. acts intended to materially impede the exercise of the inspection rights of CEDC.

Such prohibited practices by the bidders, suppliers, and vendors shall include, but not be limited to, the following acts:

- directly or indirectly, offer to any CEDC employee, director, or officer money, goods or service as a consideration for a favorable decision, information, opinion, recommendation, vote or any other form of favoritism which qualifies as a corruption;
- directly or indirectly, offer, give or agree or promise to give to any CEDC employee, director, or officer any gratuity for the benefit of/or at the direction or request of the latter;
- directly or indirectly, offer any bribe, reward, gift, or any material benefit to any CEDC employee, director, or officer in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process or activity.
- misrepresent or omit that misleads or attempts to mislead so as to obtain a financial or other benefit or avoid an obligation.
- indulge in any coercion, bid rigging or anti-competitive behavior to impair the transparency, fairness and progress of the procurement process or activity.
- misuse any information shared between CEDC and the bidders/suppliers/vendors with an intent to gain unfair advantage in the procurement process or activity.
- indulge in any coercion including impairing or harming or threatening to do the same, directly or indirectly, to any party or to its property to influence the procurement process or activity.
- Obstruct any investigation or audit of a procurement process or activity.

Bidders, suppliers, and vendors must immediately inform CEDC in the event that any of its employees, director, or officer solicits, obtains or has tried to obtain gratification for himself/herself or for any other persons or engaged in any corrupt, fraudulent, collusive, coercive, and obstructive practices as defined herein.

CEDC reserves its right to pursue imposition of maximum civil, administrative, and/or criminal penalties available under applicable laws on individuals and organizations deemed to be involved in any of the practices mentioned above.

Engagement in any of the corrupt, fraudulent, collusive, coercive and/or obstructive practices, or blacklisting or debarment by governments, international organizations, domestic and international



financial institutions, and procuring entities, shall form valid grounds for termination of purchase order/contract and/or application of penalties defined under Bid Documents or under applicable laws.

### **Disclosure of Previous Transgressions**

Bidders, suppliers and vendors shall disclose any previous transgressions with any entity in the Philippines or any other country, other national agencies, foreign governments, international organizations, local and international and financial institutions, and other procuring entities during the last three (3) years or any debarment by any other procuring entity.

### **Policy on Conflict of Interest**

For a prospective bidder, supplier and vendor, participation in the procurement process should not pose any conflict with their prior or current obligations to other entities that may render them unable to work in CEDC's best interest. All prospective bidders, suppliers and vendors shall submit an undertaking/statement or sworn affidavit, as appropriate, to CEDC, to ensure that they do not suffer from any conflict of interest. Failure to submit such declaration or submission of incorrect/incomplete information or existence of a conflict of interest in the affidavit shall be construed as a conflict of interest and can be a ground for disqualification of the bidder or cancellation of bids.

All bidders, suppliers, and vendors shall also submit a declaration stating their direct and indirect relationship with CEDC and its Related Group. For purposes of this Code, "**Related Group**" includes a person's business interests, including its subsidiaries, affiliates, directors or officers or any of their relatives by consanguinity or affinity, legitimate or common law, within the fourth civil degree. Failure to submit such declaration or submission shall be construed as a conflict of interest and result in the exclusion of the bidder, supplier or vendor from present and future procurement activities and/or other legal action as deemed fit by CEDC.

Further, if any bidder, supplier, or vendor has a conflict of interest with other bidders, suppliers or vendors participating in the same procurement process, the offers of all such bidders, suppliers or vendors shall be rejected by CEDC.

Bidders, directly or through their Related Group entities participating through multiple bids in any procurement process, shall be disqualified and their bid security (if any) forfeited. All participating bidders shall submit necessary undertakings in this regard.

### **Representation from Bidders, Suppliers and Vendors**

CEDC expects all its bidders, suppliers and vendors to honestly declare and warrant that:

- it will comply with all rules, regulations and statutory requirements relating to the provision of the products/ services to CEDC;



- it will not act “in concert” with other suppliers or agents when participating in a bid;
- it is a duly authorized/certified provider of the supplied products/services and shall not, expressly or impliedly, hold itself out to be an agent/representative of a third-party provider of the same products/services;
- it will only supply products that are certified to be of merchantable and satisfactory quality;
- the assets and products it supplied meets the minimum technical specifications and/or standards set in accordance with, including but not limited to PGC, PDC, PEC, PNS, or their international equivalent;
- it will provide the necessary warranty and after-sales support required by CEDC;
- it possesses the necessary capabilities, equipment and has a suitable place of business to perform its obligations;
- it shall not contract out, or subcontract or outsource any portion of the products/services to be delivered or rendered unless prior written consent from CEDC has been obtained; and
- it shall maintain the highest standards of integrity and quality of work at all times.

### **Applicability of the Code of Conduct**

This Code of Conduct shall apply to all bidders, suppliers, contractors, sub-contractors, vendors offering to sell goods and/or services to CEDC and to other entities acting on their behalf.

### **Monitoring compliance to the Code of Conduct**

To facilitate the monitoring of Suppliers’ compliance with this Code of Conduct, CEDC expects bidders, suppliers and vendors to (and bidders, suppliers and vendors are obliged to) do the following:

- develop and maintain all necessary documentation to support compliance with the described standards; such documentation must be accurate and complete;
- provide CEDC's authorized representatives with access to relevant records, upon CEDC’s request;
- allow CEDC's authorized representatives to conduct interviews with the bidders, suppliers or vendors' employees and management separately;
- allow CEDC’s authorized representatives to conduct, announced and unannounced, site visits of bidder, supplier or vendor locations; and
- Respond promptly to reasonable inquiries from CEDC’s Authorized representatives in relation to the implementation of the Code of Conduct.

### **Secure Communication Channels**



CEDC has established a secure communication channel to enable the bidders, suppliers and vendors to raise their concerns confidentially and responsibly. If the bidder/supplier/vendor offering to sell goods and services to CEDC has questions about the Code of Conduct, the supplier can contact the CEDC Procurement Unit at email address [dglacquian@clarkelectric.ph](mailto:dglacquian@clarkelectric.ph) / [scamoroso@clarkelectric.ph](mailto:scamoroso@clarkelectric.ph) or at telephone number (045) 599-3469 loc. 110.

If the bidder/supplier/vendor wishes to report a questionable behavior or possible violation of the Code of Conduct, the bidder/supplier/vendor can send an email to CEDC's Head of Shared Services (Admin & Finance) at [asgarong@clarkelectric.ph](mailto:asgarong@clarkelectric.ph) or send a confidential mail addressed to:

President's Office  
Thru Grievance Redressal officer

Address: Clark Electric Distribution Corporation  
Bldg. N2830 Bayanihan Street,  
Clark Freeport Zone, Philippines, 2023

CEDC will not tolerate any retribution or retaliation by anyone against a Bidder/Supplier/Vendor who has, in good faith, sought advice or has reported questionable behavior and/or a possible violation. CEDC will take disciplinary action, including but not limited to termination of contract, against anyone who threatens or engages in retaliation, retribution or harassment. Identities and contents of all information or complaints will be treated strictly confidential.

## Sanctions

CEDC will take appropriate action against the bidder/supplier/vendor as a result of the breach of the Code of Conduct without prejudice to any contractual or legal remedies available to it. The actions to be undertaken shall depend on the nature and gravity of the breach as well as the degree of propensity shown by the Bidder/Supplier/Vendor in breach of its obligations under the Code of Conduct.

The range of actions to be imposed upon the Bidder/Supplier/Vendor includes but is not limited to the following:

- Formal warnings - that the continued non-compliance will lead to more severe actions;
- Disclosure of nature of breach to CEDC and associate companies;
- Immediate termination of contract, without recourse; and/or
- Blacklisting, suspension or disqualification from participating in any other procurement process or activity of CEDC



**Acknowledgment and Acceptance, to be submitted together with Vendor Information Sheet (VIS)**

This is to certify that I have fully read the attached Code of Conduct for Bidders, Suppliers and Vendors. Having fully read and understood the requirements of this Code of Conduct, I hereby commit myself and my Company to observe this Code of Conduct and to fully comply with all of its provisions. I also certify that I am authorized by my company to sign and accept this document on its behalf.

Bidder/Supplier/Vendor: \_\_\_\_\_

Address: \_\_\_\_\_

Representative: \_\_\_\_\_

Signature: \_\_\_\_\_