



# Blacklist Policy

## Introduction:

This is a policy that describes the RDC'S approach in suspending or blacklisting the vendors, suppliers and contractors applied to any of RDC projects who are discovered to be involved in corrupt practices, fraudulent practices collusive practices coercive practices or that has been breached the terms of the contract signed with RDC.

### 1. Sanction and grounds for blacklisting:

#### 1.1 Objectives

- 1.1.1 Encourage the service providers to respect and adhere to the agreements made with the company.
- 1.1.2 To take appropriate actions against the service providers who fail to provide commitment to the agreements made with the company.
- 1.1.3 To identify the bodies who identify the procurement policy of the company.
- 1.1.4 To implement a transparent blacklisting practice.

#### 1.2 Mis-procurement

It is compulsory for the company's procurement staff and bidders to be aware of the procurement policy of the company and it is strictly prohibited to allow and get mis-procurement practices.

#### 1.3 Corruption, fraud, and collusion/Melice

It is against the policy/policies of RDC, for vendors, suppliers, and contract to involve oneself in any, form of corruption, fraud, or illusive activities.

#### a) Definition of Terms

1.3.2 'Corrupt Practice'-: Offering, giving, receiving, or saluting, directly or indirectly of anything of value to influence the procurement or agreement process.

1.3.2 'Fraudulent Practice'-: Any action or omission, including misinterpretation, that knowingly or recklessly misleads, or attempts to mislead a procurement or agreement process. This also includes bringing changes to documents in order to comply with the documentation submitting process of RDC.

1.3.3 'Collusive practice': An agreement or arrangement between two or more Bidders, a purpose of which is to establish bid prices at artificial, non-competitive low levels.

1.3.4 'Coercive practice'-: Impairing or harming, or threatening to impure or harm, directly or indirectly indoor to influence the procurement process.



b) If the company realizes that a selected Candidate for a bid directly or indirectly or through an agent has committed any of the above actions, will be immediately suspended from that bid and future bidding processes.

c) If RDC notices (with proof) that a bidder or a beneficiary of a particular project engaged in malicious activities or fraud or collusive practice or Coercive practice, during or before the contract signing, and bidder did not take any reasonable action to resolve the issue in realistic time frame, the related part of the project under the contract should be annulled.

d) If RDC notices (with proof) that a firm, Company, an individual person, or any other body, directly or through an agent involved or engaged in malicious activities or fraud or collusive practice or Coercive practice, when bidding or during the contract signing, the party should be suspended and considered as an incompetent bidder or party.

## 2. Factors to be considered for blacklisting:

- a) If there is any party who failed to cater or complete the assigned works under an agreement with RDC during past one year from the adaptation date of this policy.
- b) If any of the following actions are noticed by the company, RDC will have the authority to blacklist the vendor, supplier, or contractor.
  1. Any act of fraud or corruption to meet the conditions of a publicly announced bid.
  2. Failure to be present to sign the agreement after winning the bid.
  3. Unable to meet the terms and conditions of the agreement after signing the agreement.
  4. Failure to meet the work completion deadline mentioned in the agreement without any valid reasons.
  5. Failure to submit the necessary documents by the vendor, suppliers, or contractor to prove the works done in order to complete the works on the deadline mentioned in the agreement.
  6. If the company notices low quality of work compared to the level of work mentioned in the agreement.
  7. Failure to increase the quality of work even after repetitive advice.
  8. If the company notice the vendor, suppliers or contractor is taking negative advantage of terms and conditions.
  9. If the company forecasts or notices any risk or disadvantages, due to failure to meet the agreed terms and conditions of the contract.

### 2.1- blacklisting procedure of vendor, supplier, and contractor

In compliance with the procurement policy, the managing director reserves right to blacklist a vendor, supplier, and contractor with the advice of the bid committee.



2.1.1- The managing director shall formulate the committee and appoint members.

2.1.2 The procurement department shall maintain the secretariate of the committee.

### 3. Stages of blacklisting and decisions

- 3.1 If the procurement department identifies vendor, contractor or supplier is in breach of contract, procurement department shall report the matter to the bid committee in writing.
- 3.2 If the suppliers fail to fulfil the requirements of a public bid and requested to extend the duration of supply the materials without an appropriate reason, a percentage of the total value of the contract shall be deduction percentage will be divided by the party mentioned in the 2<sup>nd</sup> subject of this policy.
- 3.3 If the suppliers' requests to extend the duration to supply the materials more than once, without an appropriate reason, the company shall decide a tolerance level and blacklist the suppliers.
- 3.4 If anything mentioned in the clause 2 of this policy is identified, a final decision on the actions to be taken against the vendor, suppliers, or contractor. should be finalized and informed to relevant parties/personnel/bodies within 2 to 14 days.
- 3.5 Based on the nature and severity of the issue, the vendor, supplier, or the contractor could be backlisting for any period between 6 months to 3 years.
- 3.6 In any situation where the vendor, supplier, or contractor shall be blacklisted, the managing director of the corporation shall take the necessary actions after submitting a report to the bid committee stating the problem and actions to be taken.

### 4. Assigning work to blacklisted parties.

work can only be assigned to the blacklisted party during the blacklist period if there are no other parties for the work to be assigned and when the matter is passed from the bid committee and when the permission is given from the managing director in writing.

The provisions of this policy shall construed and shall be given effect in all respects upon its execution by the Board of Directors of Road Development Corporation on the date hereof.