



VENDOR ELIGIBILITY POLICY

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1. VENDOR ELIGIBILITY

1.1. The following prescribes procedures for determining whether a Vendor is excluded, either permanently or for a specified period or for determining whether a Vendor is eligible to receive future contract awards from The Baker Group.

1.2. Only Vendors found to be responsible or conditionally responsible are eligible to become Baker Group Vendors, be awarded contracts and/or bid on Baker Group solicitations. Pursuant to The Baker Group corporate procurement directives and procedures, Corporate Procurement shall assess and confirm the responsibility of a Vendor prior to approving a Vendor registration application and prior to issuing a contract award.

2. DEFINITIONS

2.1 The following definitions apply:

a) Administrative Agreement. Means an agreement between The Baker Group and a Vendor prescribing conditions and obligations the Vendor must meet to be considered conditionally responsible.

b) Affiliate. An entity is an affiliate of another entity if:

- Either entity controls or has the power to control the other or,
- A third party controls or has the power to control both entities. Indications of control include, but are not limited to, interlocking management or ownership, identity of interests among family members, shared facilities and equipment, common use of employees or a business entity created or organised following the suspension or determination of non-responsibility of a Vendor that has the same or similar management, ownership or principal employees as the Vendor that was suspended or deemed non-responsible, including business entities organised as a result of a merger, acquisition or reorganisation.

c) Collusive Practice. Means an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.

d) Coercive Practice. Means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or its property, to influence improperly the actions of such party.

e) Conviction. Means a conviction of a criminal offense by a court of competent jurisdiction, whether entered upon a verdict or a plea and includes a conviction entered upon a plea of no contest.

f) Conditional Responsibility Determination. Means a decision by Corporate Procurement allowing a Vendor to be eligible to receive a Baker Group contract award and to bid on a Baker Group solicitation, if conditions and obligations prescribed by The Baker Group in an Administrative Agreement are met.

g) Corrupt Practice. Means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.

h) Fraudulent Practice. Means any act or omission, including a misrepresentation, that knowingly or recklessly misleads or attempts to mislead a party to obtain a financial or other benefit or to avoid an obligation.

i) Non-responsibility Determination. Means a decision by Corporate Procurement to exclude a Vendor from eligibility to receive Baker Group contract awards and to bid on Baker Group solicitations for a specified or indefinite period.

j) Obstructive Practice. Means:

- Deliberately destroying, falsifying, altering or concealing evidence material to the investigation or making false statements to investigators to materially impede a Baker Group investigation 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 investigation or from pursuing the investigation or,
- Acts intended to materially impede the exercise of a Baker Group inspection and audit rights provided under its contract with a Baker Group Vendor.

k) Responsibility Determination. Means a decision by Corporate Procurement that a Vendor is eligible to receive a Baker Group contract award and to bid on Baker Group solicitations.

l) Suspension. Means an action taken by Corporate Procurement to temporarily exclude a Vendor from Baker Group procurements pending a determination of whether the Vendor is responsible.

m) Vendor. Means any legal entity, including its affiliates, that directly or indirectly (for example, through an affiliate, prime contractor, or subcontractor) submits offers for or reasonably may be expected to submit offers for a Baker Group contract or is awarded a Baker Group contract.

3. GENERAL STANDARDS

3.1 To be deemed a responsible Vendor with whom The Baker Group will conduct business, a Vendor:

- Must comply with applicable local and international laws.
- Must have adequate financial resources to perform the contract (or the ability to obtain those resources), for the avoidance of doubt, the financial resources provided to The Baker Group should be those of the entity signing the contract.
- Must be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and other business commitments.
- Must have a satisfactory performance record.
- Must have the necessary organisation, experience, accounting and operational controls, appropriate insurance and technical skills (including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures and safety programs applicable to materials to be produced or services to be performed by the Vendor).
- Must have the necessary technical experience, equipment and facilities.
- Must not have committed any act or offense indicating a lack of integrity or honesty that seriously and directly affects the present responsibility of a Vendor, including fraudulent, corrupt, collusive, coercive or obstructive practices as defined above.
- Must not have been suspended or debarred or otherwise identified as ineligible for contracting with The Baker Group in connection with the Vendor's involvement in operational work.
- Must not have violated the terms of a Baker Group contract in a manner so serious in nature as to justify a non-responsibility determination, such as:
 - Wilful failure to perform in accordance with the terms of one or more Baker Group contracts, and/or
 - A history of failure to perform, or unsatisfactory performance on, one or more Baker Group contracts.
- Must not have refused to cooperate with any Baker Group review, audit or investigation, and/or
- Must not have undertaken any other action that in the sole discretion of The Baker Group is so serious or compelling in nature that it:
 - Affects the present responsibility of the Vendor, including but not limited to attempting to influence a Baker Group procurement decision or,
 - Could result in harm to The Baker Group's reputation or image.

3.2 The Baker Group may also consider a Vendor to be non-responsible if it, or its owners, officers or key personnel have been suspended, debarred or otherwise identified as ineligible for contracting or employment with The Baker Group.

3.3 Should it come to the attention of The Baker Group that a Vendor may no longer be a responsible Vendor with whom The Baker Group will conduct business, Corporate Procurement may decide whether a Vendor is responsible, conditionally responsible or non-responsible.

4. SUSPENSION OF VENDORS PRIOR TO RESPONSIBILITY DETERMINATION

4.1 Corporate Procurement may suspend a Vendor pending a final Responsibility Determination, whenever Corporate Procurement determines that there is a reasonable likelihood that further investigation will lead to a finding of non-responsibility.

4.2 When a Vendor and any specifically named affiliates are suspended, they shall be advised in writing by Corporate Procurement:

- That they have been suspended.
- Of the cause(s) relied upon and reasons for imposing suspension.
- Of the effect of the suspension.
- That the suspension is for a temporary period pending the completion of proceedings that may ensue.
- That within the period specified in the notice, the Vendor may submit either in writing or through oral presentation, information showing that the Vendor is responsible, including any additional specific information that raises a genuine dispute over the material facts, as well as any evidence of remedial measures taken or proposed by the Vendor or mitigating factors and,
- That suspension may lead to a determination of non-responsibility or conditional responsibility.

4.3 A Vendor suspended pending a Responsibility Determination:

- Is not eligible to receive Baker Group contract awards and/or to bid on Baker Group solicitations.
 - Is excluded from conducting new business with The Baker Group as agents or representatives of other Vendors and,
 - Is precluded from having discussions with The Baker Group concerning the award of new contracts. A suspension applies to all affiliates of the Vendor, unless the suspension decision is limited by its terms to specific divisions, organisational elements or commodities.
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5. RESPONSIBILITY DETERMINATION OF VENDORS

5.1 Corporate Procurement will make the determination of whether a Vendor is responsible, conditionally responsible or non-responsible based on all relevant information reasonably available, including any information submitted by the Vendor to The Baker Group. This determination is final and without appeal.

5.2 Vendors found to be responsible are eligible to bid on Baker Group solicitations and receive Baker Group contract awards, subject to the Vendors continuing to satisfy the requirements necessary to be considered responsible.

5.3 Vendors found to be conditionally responsible are required to meet the conditions and obligations prescribed by Corporate Procurement in an administrative agreement prior to being eligible to receive Baker Group contract awards or to bid on Baker Group solicitations.

5.4 Vendors found to be non-responsible are, for a period determined by Corporate Procurement to be:

- Ineligible to receive Baker Group contract awards or to bid on Baker Group solicitations.
- Excluded from conducting business with The Baker Group as agents or representatives of other Vendors and,
- Precluded from having discussions with The Baker Group concerning the awarding of contracts. A Non-Responsibility Determination applies to all affiliates of the Vendor, unless the decision provides otherwise.

5.5 In any action in which the determination of non-responsibility is not based upon a conviction, the Non-Responsibility Determination must be established based on evidence that it is more likely than not that the Vendor is not a responsible Vendor. "More likely than not" means that upon consideration of all the relevant evidence, a preponderance of the evidence supports a finding that the Vendor is not a responsible Vendor.

6. NOTICE OF DECISION ON RESPONSIBILITY

6.1 Notice to the Vendor of a Responsibility Determination will:

Refer to the notice of suspension, if applicable:

- Indicate whether the Vendor has been determined to be responsible, conditionally responsible or non-responsible.
- In the case of a Non-Responsibility Determination, specify the reason(s) for non-responsibility and the period of non-responsibility, including effective dates and identify all affiliates, if any, of the Vendor also deemed non-responsible.
- In the case of conditional responsibility, specify the reason(s) for the Conditional Responsibility Determination and include an administrative agreement as an attachment to the notice indicating the conditions and obligations with which the Vendor is required to comply prior to being eligible to receive Baker Group contracts and to bid on Baker Group solicitations.

6.2 Ineligibility of a Vendor due to non-responsibility shall be for a period commensurate with the seriousness of the cause(s).

- Corporate Procurement may extend the ineligibility period for an additional period, if he/she determines that an extension is necessary to protect The Baker Group's interests.
- Corporate Procurement may, upon a Vendor's written request, reduce or eliminate the period or extent of ineligibility for reasons such as:
 - Newly discovered material information.
 - Reversal of the conviction upon which the Non-Responsibility Determination was based.
 - Bona fide change in ownership or management.
 - Measures taken by the Vendor to become responsible or,
 - Other reasons Corporate Procurement deems appropriate.
- Restitution, as well as financial and other remedies, may be sought in exceptional circumstances where there is a quantifiable amount to be restored to The Baker Group.

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