



**LOGISTICS MANAGEMENT DIVISION,
DEPARTMENT OF HEALTH SERVICES,
MINISTRY OF HEALTH AND POPULATION**

CODE OF ETHICS AND CONDUCT

for

PROCUREMENT OFFICIALS

CODE OF ETHICS AND CONDUCT

This Code of Ethics and Conduct should be read in conjunction with the:

- Public Procurement Act, 2063 (2006) dated 2063.9.30 (14 January 2007),
- Public Procurement Regulation, 2007 dated 20 August 2007
- World Bank Guidelines for the Procurement of Goods, Civil Works and Consultants' Services
- Good Governance (Management and Operation) Act 2064 (2008)
- Civil Service Act and Rules and
- Health Service Act and Rules

as appropriate.

In case of a conflict between this Code of Ethics and Conduct and any of the above documents, the latter shall prevail.

DEFINITIONS

Ethics:

A civil code of behaviour or the body of moral principles or values governing or distinctive, which are considered correct in procurement practices.

Conduct:

The way we carry ourselves, behave in the public eye, do things, respond to situations, give instructions, obey rules and think of or perceive the needs of the other human beings

Code:

A body of rules that people with common interests, aspirations, objectives, goals, duties, activities and responsibilities must adhere to at all times so long as they continue to remain in government employ

The need for a code of ethics and conduct:

A code of ethics and conduct is necessary for the following reasons:

- Our society, employers, peers and colleagues are genuinely concerned about our individual and organizational ethical behaviour
- Our work performance and standards can only be of manifestly acceptable quality and appreciable level if good rules of ethical conduct are not only obeyed but are put into practice
- Discipline can only be instilled in our behaviour through a codified procedure. The surest way of disciplining errant members of a group is through a code of rules and conduct
- A group or profession can only stand the test of time, defend itself and spread its influence if its members are ethically upright and steadfast in doing the right things, at the right time, in the right place, in the right way and at the right level of performance
- The overall need for a code of conduct is that it will bring respect to, enhance recognition for, and uphold discipline and harmony within the profession

Principles of ethical behaviour:

In carrying out their duties and responsibilities appertaining to work and the profession, members of Logistics Management Division shall:

- Be loyal to the employing organization (i.e. the employer)
- Be fair to those with whom they deal with and interact
- Be faithful to their profession
- Abstain from temptations and acts that are harmful to themselves and members of society or the community
- Do the right thing at the right time, in the right place, in the right way and at the right level of performance

Standards of procurement practice:**a) Personal conduct:**

- Avoid unethical behaviour (either by intentions or actions) that may portray you as unreliable or a person of questionable character in your relationships and communication with others
- Appear respectable and professionally articulate in your approach to issues, work ethics and dealings with others
- Avoid traps or situations from which you may find it difficult to escape should conditions change

b) Responsibilities to the Employers:

- Be loyal to your employer, follow lawful instructions using reasonable care and only the authority granted to you
- Refrain from soliciting or accepting money, loans, credits, personal percentages or 'rent money' and the acceptance of gifts, entertainment, favours, or services from present or prospective suppliers that might influence procurement decisions
- Avoid any private business or professional activity that would create a Conflict of Interest between personal interest and the interests of the employer
- In meetings where the subject of discussion includes item or items in which you have an interest, you are under an obligation to declare or disclose such interest and exclude yourself from deliberations or voting in the meeting
- Handle all confidential information belonging to the employer with due diligence and care and never disclose such information to unauthorized personnel without express permission or authority

c) Relationships with your colleagues at work:

- Promote positive supplier relationships through courtesy and impartiality in all phases of the procurement cycle
- Avoid agreements or contracts that are protective and stifle competition in the supply of goods and services
- Do not reveal confidential information of a supplier to another when dealing with procurement issues; provide suppliers with equal opportunities
- Accept neither gifts nor favours that will cause any discrimination in the award of contracts, nor accept advances that will compromise your professional integrity

d) Respect for state laws:

- Know and obey the laws and regulations governing procurement activities in Nepal
- Avoid activities that are criminal in the eyes of the law of Nepal in the course of purchasing, handling and distribution of goods and services even if it is an instruction from your employer

e) Responsibilities to the profession:

- Defend the supply and procurement profession at all times without fear, bias or favouring unethical behaviour
- Enhance the proficiency and good standing of the procurement profession by continuous acquisition of knowledge and the highest standard of ethical behaviour
- Encourage publicity of literature that promotes the improvement and growth of the profession

f) International purchasing activities:

- Conduct international purchasing activities in accordance with the laws, customs and practices of Nepal using one of the methods described in the above references
- Obey international treaties, conventions, and rules of international standards when undertaking procurement for goods, works and services sourced under the Guidelines for International Competitive Bidding or Quality and Cost-Based Selection procedures and the Procurement Regulations of Nepal.

Some clarifications and interpretation of the code

The code gives guidelines on the standards of behaviour expected of the procurement profession. In exercising the provisions of this code, every member will be judged in accordance with the prevailing circumstances or situations.

This code provides guidelines that may be used to discipline an errant member from the Division where it is felt that such a member has breached the rules of good, ethical conduct

Some sections contain terms that need clarification:

Confidential information may include (but not be restricted to):

- Pricing and cost data
- Bid or quotation information
- Formulae and processing information
- Design information
- Company plans, goals, strategies etc.
- Customer lists, suppliers, material.

Examples of Gratuities or Gifts:

- Monies, credits, discounts, meals, clothing, equipment, household goods, electrical appliances, tickets etc.
- Job opportunities for close relatives, trips to tourist resorts etc.

An example of Conflicting Interests may be as follows but not restricted to:

The employee, or his family, has a business interest in the same area of operation or trade as his/her employer. The employee has an interest in the business of the employer. For example the employee wishes to supply goods to the employing organization. These are examples of where personal interest may override the employer's interest and therefore a Conflict of Interest arises.

Intentions and appearance of unethical behaviour:

- Regularly dining and drinking with suppliers
- Fixing appointments with suppliers at odd hours in the office or out of office hours
- Drunkenness during office hours and in public places
- Accepting lifts in suppliers' cars
- Being disrespectful to colleagues, employer and members of the public.

Lawful instructions and authority granted:

- Instructions that are contained in the documents referred to above
- Instructions given in the course of performing a lawful duty
- Authority granted by authorized or senior personnel
- Instructions and authority in conformity with the terms of employment

Supplier relationships will be enhanced by:

- Being truthful and honest to suppliers
- Processing suppliers' claims and paying promptly
- Keeping suppliers' information commercial-in-confidence
- Treating all suppliers equally
- Being ready to assist the supplier when in s/he is in difficulties
- Working in partnership to solve common problems

Signed: _____

Name: _____

Position held: _____

Date: _____

Signed (Supervisor): _____

Designation: _____

Name: _____

Date: _____