

Enugu Electricity Distribution Plc (EEDC)

Vendor compliance Manual

Using the Vendor Compliance Manual

This manual is designed to provide the vendor with Enugu Electricity Distribution Plc (EEDC) supply chain requirements. EEDC will share the manual with the vendor and the vendor should carefully review same and ensure that the requirements are read, understood and adhered to. **The manual's contents will be updated from time to time and adherence to these changes shall be the vendor's responsibility.** The most current version can be accessed on EEDC's website at <https://www.enugudisco.com/terms/vendor-compliancemanual.pdf>

The vendor can contact EEDC's Procurement Department for enquiries or queries as follows:

Address: **Procurement Department,
Enugu Electricity Distribution Plc,
Corporate Headquarters,
62, Okpara Avenue, Enugu.**

Email: procurementdepartment@enugudisco.com

Phone: 08150824092

EEDC CORE VALUES

Integrity

Integrity is the hallmark of a person who demonstrates sound moral and ethical principles. Integrity is the foundation on which co-workers build relationships based on trust. A person with integrity is trustworthy and dependable.

- Integrity is communicating when you cannot meet timelines
- Integrity is owning/accepting responsibility
- Integrity is having open, truthful conversations with people
- Integrity is absolute zero tolerance for corruption and unethical practice
- Integrity is always saying the truth and staying true
- Integrity is transparency and honesty in all dealings
- Integrity is not being a source or channel of gossips, rumours and backbiting
- Integrity is being trustworthy and reliable
- Integrity is practicing and encouraging open & honest conversation
- Integrity is respecting and following company policies
- Integrity is being accountable for your mistakes

The Company has zero tolerance for corruption and for that reason, a whistle blowing channel has been developed to assist people to give useful information to the executive management regarding sharp practices in the company. Details of the numbers and email are as follows

- 084700110
- 08146026678
- Email: ethics@enugudisco.com

Customer Focus

A customer-focused staff works to consistently deliver higher levels of service than expected. Customer-focused staff are those self-motivated individuals for whom the “customer experience” is important and who keep raising the standards by which service is defined. At EEDC not only do we realize that without the customer we do not exist, but we are very clear in our understanding that making the customer’s life better is our reason for being.

- Customer focused is being willing to satisfy customers always
- Customer focused is absolute commitment to outstanding results
- Customer focused is embedding customer-thinking at every level

- Customer focused is proactively reviewing customer touchpoints and eliminate blockages that undermine their customer experience
- Customer focused is acting spontaneously and taking the initiative to exceed customers' expectations
- Customer focused is being customer centric in all our dealings and communications
- Customer focused is to proactively and consistently spot and deal with customer complaints and issues.
- Customer focused is increasing speed of response to enquiries, queries and complaints as well as consistently delighting customers.

Professionalism

The professional EEDC staff is highly knowledgeable in executing his role. The staff is structured and organized and can be counted on to get a job done. The EEDC professional is calm, courteous and displays strong moral ethics. These characteristics make the EEDC professionalism confident, but not arrogant. Finally, the EEDC professional is neat in appearance, irrespective of their job function.

- Professionalism is absolute commitment to outstanding results
- Professionalism is timeliness to work and meetings
- Professionalism is documentation and being process-driven
- Professionalism is dressing appropriately to work
- Professionalism is following due process in reporting or addressing issues
- Professionalism is Respect for diversity and humanity
- Professionalism is Respect for constituted and delegated authority
- Professionalism is Respect for systems, structures and processes
- Professionalism is a sincere apology where appropriate.
- Professionalism is the everyday use of 'Please' and 'Thank You'
- Professionalism is in communication without foul language and being polite (phone, emails, SMS, memos)
- Professionalism is giving and receiving honest feedback without rancor.
- Professionalism is inquiring and not gossiping or judging
- Professionalism is not using telephones during meetings

We expect our vendors to be professional in all their dealings with us and provide us with standard supplies.

Innovation

Innovation is defined as that quality that seeks to come up with an idea or invention or process, that can be developed into a product or service that creates value for our customers. Innovation is creativity, the ability to be creative. The Innovative EEDC staff is creative in seeking solutions to enhance value. However, this staff realizes the need to operate within acceptable norms, ethics and values. Innovation is not a password for breaking the law, but is to be deployed as a complementary value to those earlier described above.

- Innovation is having a visionary view on challenges and solutions
- Innovation is Openness to change
- Innovation is Persistently improving processes
- Innovation is constant presentation of ideas and solutions
- Innovation is independent search for information, resources and support
- Innovation is Proactiveness in the pursuit of ideas and their transformation into economic value

1.0 Vendor Selection and Evaluation

Overview

This section addresses EEDC's selection of qualified vendors.

1.1 Vendor Selection

1.1.1 New Vendor

When a prospective vendor is identified, the Procurement Department shall review the vendor's capability to meet EEDC's requirements

EEDC shall employ one or more of the following methods to evaluate the vendor's capabilities:

- Availability and review of a third-party quality management system certification. The registration certificate must be directly associated with the vendor that is receiving EEDC's Works Order.

Note: EEDC's Procurement Department will document the expiration date of the certificate and will contact the vendor prior to expiration to obtain an updated copy.

- Receive documented evidence of the vendor's capabilities using a Vendor Qualification Survey.
- A vendor on-site evaluation conducted by EEDC personnel.
- Receipt of pre-production samples that shall pass through validation testing or first article inspected against requirement.

1.2 Re-Evaluation of Approved Vendor

Vendor re-evaluation will be conducted on an annual basis using the following criteria:

- Quality control inspection reports, communication history, on-time delivery records, and pricing. These factors shall aid the Procurement Department to determine if the vendor is capable of providing products, processes, or services that conform with EEDC's standards and specifications.

2.0 Quality Assurance

Overview (Quality Policy)

EEDC is always committed to achieving excellence in all its business transactions and relationships through review and continuous improvement of Quality Management System and putting the customer first. The foregoing can also be achieved by establishing a professional business relationship that provides timely response, on time delivery, and defect free products and services which meet all product, services, customer, and regulatory requirements.

This section establishes requirements applicable to all components/finished goods and services to assure that such items/services are of a required quality and reliability in accordance with EEDC's Quality Policy. EEDC is ISO9001:2015 certified and we expect our vendors to support us in our ongoing efforts to maintain this certification.

2.1 Manufacturing and Quality Requirements

The vendor shall maintain a quality management system (QMS) which is adequate for the complexity of the products being supplied. To ensure manufacturing control, the vendor shall establish, and document process standards as follows:

- The vendor assures that all materials and components used in the manufacture of products to be delivered to EEDC shall be inspected, tested, and/or otherwise verified to be in conformity prior to use or processing. Nonconforming material shall be clearly identified and segregated to prevent commingling with acceptable material.
- Workmanship standards shall follow the drawing or specifications, or when not stated, best industry standard. Standards must be acceptable to EEDC's Quality Assurance Department.
- The vendor is responsible for ensuring that all items, if made by the vendor or a subcontractor, meet the technical specifications for form, fit, and function acceptable to EEDC. In addition, methods for manufacture shall meet or exceed industry best workmanship practices.
- The vendor shall have inspection standards for evaluation of the manufactured product based on drawings and engineering specifications which must be acceptable to EEDC.
- The vendor shall establish procedures for insuring, securing, verifying, storing, maintaining, and accounting for material, products, tools, and equipment owned by EEDC which have been provided to the vendor. Any items that are lost, damaged, or deemed unusable, shall be reported to EEDC's Buyer immediately. Costs associated with items lost or damaged are reimbursable to EEDC.
- By making shipment under a Works Order, the vendor automatically certifies that the materials being used in the articles shipped and the process applied to such articles comply with applicable drawings and specifications.
- The vendor agrees to retain objective evidence or records of inspection and testing performed in the course of manufacturing, testing, inspecting, preserving, and packaging of said article(s). These records shall be made available to EEDC to review upon request.
- The vendor shall immediately return and redeliver to EEDC all tangible material embodying any Confidential Information/records provided in the course of the transaction or business relationship and all notes, summaries, memoranda, drawings, manuals, records, excerpts or derivative information deriving therefrom, and all other documents or materials ("Notes") (and all copies of any of the foregoing, including "copies" that have been converted to computerized media in the form of image, data, word processing, or other types of files either manually or

by image capture) based on or including any Confidential Information, in whatever form of storage or retrieval, upon the earlier of (i) the completion or termination of the dealings between the parties contemplated; or (ii) the termination of the Agreement.

2.2 On-Site Inspections/Surveys

EEDC's Quality Assurance Department, or its designated agent may perform on-site inspections or surveys prior to any scheduled delivery. The purpose of the on-site inspection or survey is to determine the vendor's ability to manufacture products that meet the requirements of the most recent drawings, specifications, or Works Orders. The success of the on-site inspection depends on the vendor's ability to demonstrate its capability to consistently manufacture the product in compliance with the Works Order and applicable drawings and specifications. Areas that shall be subject to inspection include but are not limited to the following:

- Management structure and organization
- Internal and external communication procedure
- Vendor's manufacturing system and processes
- Quality control and inspection
- Engineering capabilities
- Tool calibration capabilities
- Performance history and certifications
- Facilities, general upkeep, and maintenance
- Problem analysis and preventative or corrective action methods
- Quality improvement plans and methods

Vendor shall provide required inspection information and manufacturing documentation to show evidence of control and acceptability. Material noncompliance in any of the aforementioned areas may require additional on-site inspections.

2.3 Drawings and Specifications

EEDC's intent is to provide clear, accurate specifications and drawings to our vendors. EEDC's drawings have a revision reference on the drawing itself, and it is the vendor's responsibility to provide Products using the most recent version. Drawings and specifications must be kept confidential.

2.4 Certificate of Compliance

Many products are required to be listed, recognized, or tested by certain regulatory or safety agencies. Vendors are required to provide components that meet all regulatory or safety certifications. These requirements shall be met when requested by EEDC's Procurement Department, and/or as stated on the Works Order.

2.5 Safety Data Sheets

Material Safety Data Sheets (SDS) for any product that is considered hazardous or has the potential of becoming hazardous during EEDC's operations, must be supplied with the

shipment. SDSs will be delivered to EEDC's Safety Department for review. SDSs can also be mailed to EEDC at the following address:

Address: 62 Okpara Avenue, Enugu

Email: procurementdepartment@enugudisco.com

Phone: 08150824092

2.6 First Article Inspections

All new or revised components are required to undergo and pass inspection conducted by EEDC's Quality Assurance Department. This procedure applies to all new components, revised components, or changes in processes, material, or procedures of manufacturing of components previously ordered by EEDC.

2.7 Changes in Processes, Materials or Procedures

Vendors shall not change any processes, materials, or procedures, including component substitution, without prior approval from EEDC's Buyer. The shipping of components from a production run prior to EEDC's acceptance shall be at the vendor's own risk.

2.8 Inspection

EEDC reserves the right to inspect, hold, or reject a vendors' products or part thereof. The Vendor shall retrieve the product or part thereof at the Vendor's sole expense and within the time frame notified by EEDC. Product acceptability is determined by qualified inspection personnel utilizing precision measuring tools and the most recent drawings and specifications. Discrepancies are documented on a Quality Control Inspection Report (QCIR) and referred to Management Procurement Committee (MPC).

Vendors will be notified by procurement department of a discrepancy encountered during the inspection process. EEDC shall reject individual pieces within a shipment, or the entire shipment. The Vendor shall retrieve the product or part thereof at his own sole expense and within the time frame notified by EEDC

EEDC may request, which is dependent upon the acceptance status of the articles in question, corrective action to assure that future shipments do not contain similar discrepancies. Such requests require timely response and should include, at a minimum, the following information: containment action, thorough root cause analysis, corrective actions implemented, and the results of the action.

3.0 Works Orders

Overview

EEDC requires the right product, Service, right quantity and agreed upon price, delivered on the date which has been confirmed by the vendor. In order to achieve this, vendors must deliver the exact product and quantities that have been confirmed. . All matters relating to any Works Order, including any dispute arising out of a Works order, shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria, and the parties thereto consent to the jurisdiction of Nigerian courts to resolve any such disputes.

3.1 Works Orders Policies and Procedure

3.1.1 Confirmation

All orders are valid only upon receipt by the vendor of a confirmation copy of a released Works Order. Works Orders can be sent in one of two ways: a transmitted hard copy by hand or courier or by email.

3.1.2 Acceptance

Vendors shall verify all information on the Works Order to ensure that they are complete and accurate when the order is received. If there are questions on any issue in respect of the order, the vendor shall contact the appropriate Procurement Department. Vendor's acceptance, confirmation, or acknowledgement of an order, or shipment against an order will constitute acceptance of: (a) pricing, terms and conditions of the order, and (b) the contents of EEDC's Vendor Compliance Manual.

3.1.3 Failure to Comply

EEDC may, at its sole discretion, either (a) refuse delivery of an order and return it to the vendor at the vendor's expense or (b) accept the order (or part thereof and return the balance at the vendor's expense) if any of the following occur:

- Goods shipped do not comply with EEDC's drawings and specifications
- Goods shipped are damaged
- Goods shipped are defective
- Failure of final inspection and operational tests
- Non-compliance with Industry Standards
- Incomplete or partial supply
- Goods delivered after expiration of delivery period.

3.1.4 Late Shipments

All shipments of product must arrive at EEDC no later than the due date which has been confirmed by the vendor and documented on the Works Order. Late shipments are unacceptable, and EEDC shall issue a debit memo for reimbursement of any costs incurred due to product arriving late. A vendor must notify the Procurement department in the event of anticipated late shipment.

3.1.5 Early Shipments

Product should not arrive at EEDC's designated warehouse more than four (4) days early, unless approved by EEDC's Head of Procurement or authorised designate.

3.1.6 Tooling

Any tool, die, pattern, or equipment furnished or paid for by EEDC used to make components or parts shall be used solely to produce components and parts for EEDC. In this regard, vendor acknowledges and agrees that all such tooling is and shall at all times remain the sole and exclusive property of EEDC. Vendor further agrees not to hold any tool, stencils, die, patterns, or equipment furnished or paid for by EEDC for any reason or purpose whatsoever apart for the reason stated herein and to immediately surrender the same whether or not requested by EEDC.

3.1.7 Suspension or Cancellation

Suspension or cancellation of deliveries may be made by Procurement Department during the existence of strikes, labour disturbances, secondary boycotts, fires, power shortages, floods or other situations arising from causes not within EEDC's practicable control. Termination by EEDC of this order may be made by written or electronic communication stating extent and effective date.

4.0 Product Warranty

Overview

EEDC requires vendors to furnish EEDC with warranty for all components and parts to support its customer's expectations relating to product reliability.

4.1 Product Warranty

Vendors can view EEDC's terms and conditions, which contains its product warranty, by visiting EEDC's website www.enugudisco.com.

5.0 General Packaging and Shipping Instructions

Overview

The purpose of the packaging and shipping instructions is to inform vendors about EEDC's requirements and their responsibilities relating to packaging and shipping.

5.1 Packaging Instructions

- The component or part packaging must provide sufficient protection for the product to arrive at EEDC without damage.
- The component or part must be properly labelled to ensure the product can be verified against the packing slip and EEDC's Works Order upon receipt.
- A packing list is required with each shipment. Freight bill-of-lading cannot be used in lieu of packing slip. EEDC's Works Order must be clearly listed.

5.2 Types of Shipments

5.2.1 Collect

EEDC is responsible for 100% of the freight cost **PROVIDED** that EEDC shall not be responsible for any incremental or expedited freight cost incurred due to the vendor's failure to comply with the terms and conditions of purchase.

5.2.2 Prepaid

Vendors are responsible for 100% of the routing arrangements and freight costs.

5.2.3 Imports

Due to the complex routing and documentation procedures associated with imports, it will be necessary to contact the appropriate EEDC Buyer to coordinate this shipping method. This must be done prior to the first shipment. In addition, certain

documents are also required to be faxed, or e-mailed to the appropriate EEDC Buyer when product is shipped from foreign countries.

5.2.4 Expedited and Air Shipments

To ensure compliance with EEDC's expedited shipments policies and procedures, EEDC's Procurement Department must authorize all expedited and air shipments prior to shipping. Expedited shipments include all freight and any motor cargo specifically routed to accelerate either the scheduled pick up or delivery time.

5.2.5 Hazardous Materials

Any vendor that ships "Hazardous Materials" shall comply with additional markings and labelling requirements specified by the Department of Transportation (DOT) and/or Environmental Protection Agency (EPA), and shall comply with other carrier requirements as prescribed by the applicable Nigerian law.

5.3 Title and Risk of Loss

5.3.1. The Title of goods/products vests in EEDC on acceptance by EEDC. The risk of any loss or damage to the goods/products shall remain with the vendor until acceptance by EEDC through Stores Received Advice (SRA) after inspection and/or testing must have been performed on the goods/products.

5.3.2 The Title of the materials vests in EEDC on acceptance by EEDC through SRA in accordance with the relevant provision herein. The risk of any loss or damage to the materials remains with the vendor until acceptance by EEDC.

PROVIDED that EEDC shall not be deemed to have accepted delivery of, and delivery shall not be deemed to have occurred for, the items or any part thereof, until after the Quality Assurance Department of EEDC have inspected and tested (where applicable) the materials and certified that they comply with the specifications under this Works Order and same communicated to the vendor.

5.3.3. EEDC reserves the right to accept any part of the materials that conforms with the specifications herein and reject the remainder which shall be deemed **NOT** delivered.

5.3.4. In the event that any or all parts of the items are rejected by EEDC, the vendor shall within 3 business days of notification by EEDC of rejection and at its cost, collect same from EEDC stores, failing which EEDC may, without any liability whatsoever, dispose of such rejected items as it deems fit.

6.0 Return to Vendor Policy

Overview

This section addresses the procedures for disposing of returnable products. Vendors are responsible for all costs associated with inspecting, warehousing, handling, transporting, and disposing of returnable products.

6.1 Repaired, Reworked, or Replacement Product

EEDC reserves the right to not accept repaired, reworked, or replacement product in place of a defective allowance or in place of receiving full credit for the return of damage/defective returns. Damaged or defective product that has been repaired or reworked shall be refused and immediately returned at vendor's expense.

7.0 Handling of Procurement Complaints

1. It is important to distinguish between general enquiries, bidders debriefings and bidders complaints.
2. General inquiries regarding EEDC procurement policies and procedures, are dealt by the Procurement Unit. These are considered clarifications, many of which are administrative or technical in nature.
3. After the notification of award, a company may wish to ascertain the grounds on which its proposal was not selected; this is permitted under EEDC procurement guidelines. Offerors making such a request should be accommodated by EEDC through a debriefing.
4. Holding a debriefing meeting is advantageous to both EEDC and the unsuccessful offeror in the following manner: (a) the offeror learns about its weaknesses and therefore becomes empowered to improve its proposals in future opportunities; (b) the debriefing contributes to building the trust of the business community in EEDC; and (c) it is an opportunity for EEDC to clarify its decision in a cordial manner, thus avoiding potential escalation of bidder concerns into formal complains.
5. It is recommended that the debriefing session be conducted by the Management Procurement Committee members, one of them typically the Procurement Officer that administered and/or facilitated the bid evaluation process. Certain considerations should be kept in mind in conducting the debriefing session, including the following:
 - a. The scope of the debriefing should be limited only to the strengths and weaknesses of the proposal submitted by the bidder who requested the debriefing;
 - b. Neither the comparative ratings achieved by the bidders nor other information related to the proposal of other bidders should be disclosed;
 - c. The tone of the EEDC staff conducting the debriefing should, in as much as possible, be calm, objective, constructive and respectful of the other party. Avoid further criticizing the proposal under discussion. Allow the other party to speak as much as necessary, and always take into careful consideration the sensitivities of an unsuccessful bidder.

Lessons

7. When handling complaints, staff must not:
 - a. Enter discussions with bidders regarding the complaint or communicate any opinion (except to acknowledge receipt of the complaint);
 - b. Provide bidders with details on the evaluation while the process is going on;
 - c. Make available or disclose EEDC correspondence or documents related to the evaluation process;
 - d. Discuss anything other than the complainant's own bid after notification of contract award.