

**(Tentative Translation) Guidelines on the Suspension of Dealings, etc. Involving Contracts  
with the National Graduate Institute for Policy Studies**

October 24, 2007  
Regulations of the President

**(Purpose)**

**Article 1** The purpose of these Guidelines is to properly implement contract administration by establishing the necessary matters for handling cases in which the need arises to suspend dealings or to take any other necessary measures involving a contract for the purchase or manufacture of goods, a service contract or any other contract other than a construction contract (hereinafter referred to as a "Contract") at the National Graduate Institute for Policy Studies (hereinafter referred to as the "Institute").

**(Definitions)**

**Article 2** For the purpose of these Guidelines, the term, "Suspension of Dealings" means the suspension of a supplier's participation in bidding for open bidding Contracts, suspension of the selection of a supplier for selective bidding Contracts, and suspension of the appointment of a supplier for discretionary Contracts.

**(Measures for the Suspension of Dealings)**

**Article 3**(1) The contracting officer provided for in Article 5, paragraph (1), item (i) of the Regulations on Accounting of the National Graduate Institute for Policy Studies (hereinafter referred to as the "Contracting Officer") shall, when a person who meets the qualifications for participating in open bidding or any other person provided for in Article 5 of the Regulations on the Administrative Handling of Contracts (hereinafter referred to as a "Supplier") falls under any of the conditions for measures listed in the items of Appended Table 1 and Appended Table 2 (hereinafter referred to as the "Items of the Appended Tables"), set a period for the Suspension of Dealings pursuant to provisions of the Items of the Appended Tables and these Guidelines according to the circumstances, and shall impose a Suspension of Dealings involving Contracts against the Supplier.

(2) Circumstances that fall under any of the following items shall be subject to a Suspension of Dealings:

(i) where a Supplier in a position to become involved in a Contract awarded by the Institute has come to fall under the conditions for measures provided for in Items of the Appended Tables; or  
(ii) in addition to what is provided for in the preceding item, when the Contracting Officer finds it to be particularly necessary.

(3) When it has been learned that circumstances fall under the conditions for measures provided for in Items of the Appended Tables after the expiration of the maximum period provided for under respective conditions, the Suspension of Dealings shall not be imposed; provided,

however, that this does not apply where the circumstances involved extreme malice and it is found to be necessary to take measures for Suspension of Dealings.

**(Suspension of Dealings with Subcontractors)**

**Article 4** Where the Contracting Officer imposes a Suspension of Dealings provided for in the preceding Article, when it has become evident that a subcontractor should be held liable through a Suspension of Dealings, the Contracting Officer shall, in accordance with the circumstances, set a period for a Suspension of Dealings with said subcontractor to an extent that does not exceed the period for the Suspension of Dealings set for the Supplier who is subject to said Suspension of Dealings, and shall impose a Suspension of Dealings against said subcontractor.

**(Special Provisions on the Period for a Suspension of Dealings)**

**Article 5(1)** When a Supplier falls under two or more of the conditions for measures provided for in the Items of the Appended Tables within a single set of circumstances, the longest maximum period and the longest minimum period for Suspension of Dealings among those provided for with regard to each of the applicable conditions for measures shall be the maximum period and the minimum period of the Suspension of Dealings.

(2) When a Supplier falls under any of the following items, the minimum period for the Suspension of Dealings shall be twice (or 1.5 times, when the original period of suspension is less than one month) the minimum period for the Suspension of Dealings provided for with regard to each of the conditions for measures in the Items of the Appended Tables:

(i) when a Supplier for whom one year has not elapsed since the expiration of a period of Suspension of Dealings involving a condition for measures provided for in the Items of the Appended Tables (including during the period of Suspension of Dealings) has come to fall under any of the conditions for measures provided for in the Items of the Appended Tables; or

(ii) when a Supplier for whom three years have not elapsed since the expiration of a period of Suspension of Dealings involving a condition for measures provided for in items (i) to (iv) of the Appended Table 2 has come to fall under the respective conditions for measures provided for in items (i) to (iv) of the same Table; provided, however, that this excludes cases that fall under the preceding item.

(3) When there are special circumstances that should be taken into consideration, because of which it is necessary to set a period that is shorter than the minimum period for a Suspension of Dealings provided for in the Items of the Appended Tables and the preceding two paragraphs, the Contracting Officer may reduce the length of a period of Suspension of Dealings by up to half of said minimum period for a Suspension of Dealings.

(4) When due to the extreme malice behind the Supplier's reasons or the highly material consequences caused thereby it is necessary to set a period for Suspension of Dealings exceeding the maximum period provided for in the Items of the Appended Tables and paragraph (1), the Contracting Officer may extend the length of a period for Suspension of Dealings by up to twice the relevant period for Suspension of Dealings.

(5) When it has become evident that there are special circumstances that should be taken into account with regard to a Supplier who is in a period of Suspension of Dealings or that such Supplier's reasons were extremely malicious, the Contracting Officer may change the length of the period of Suspension of Dealings to the extent provided for in the Items of the Appended Tables and in the preceding paragraphs.

(6) When the Contracting Officer finds it to have become evident that a Supplier who is in a period of Suspension of Dealings is not liable for the circumstances, the Contracting Officer shall cancel the Suspension of Dealings against said Supplier.

(7) When there are found to be special circumstances, such as that no one other than the Supplier can provide the relevant benefit, the Contracting Officer may allow a Supplier who is in a period of Suspension of Dealings pursuant to Article 3 to be involved in dealings only with regard to said circumstances.

**(Notice of Measures for the Suspension of Dealings, etc.)**

**Article 6** When the Contracting Officer has imposed a Suspension of Dealings pursuant to Article 3, changed the period of a Suspension of Dealings pursuant to paragraph (5) of the preceding Article or cancelled a Suspension of Dealings pursuant to paragraph (6) of the same Article, the Contracting Officer shall notify the Supplier thereof without delay, using Form 1, 2 or 3.

**(Publication of Suspension of Dealings Measurement, etc.)**

**Article 7** When the Contracting Officer has imposed a Suspension of Dealings pursuant to Article 3 or cancelled a Suspension of Dealings pursuant to Article 5, paragraph (6), the Contracting Officer shall publicize this on the website of the Institute.

**(Rescission of Selection, etc.)**

**Article 8** When a Supplier who is subject to a Suspension of Dealings has actually been selected through competitive bidding or has been asked to submit an estimate, the Contracting Officer shall rescind said selection, etc.

**(Prohibition of Subcontracting, etc.)**

**Article 9** The Contracting Officer shall not allow a Supplier who is in a period of Suspension of Dealings to subcontract the whole or a part of the manufacturing, etc. under Contract with the Institute; provided, however, that this does not apply where said Supplier already had a subcontractor before the period of Suspension of Dealings began.

**(Warnings and Cautions)**

**Article 10** When it is found to be necessary in a case in which no Suspension of Dealings has been imposed, the Contracting Officer may issue a warning to the relevant Supplier or caution said Supplier in writing or orally.

**(Other)**

**Article 11** In addition to what is provided for in these Guidelines, any matters necessary for Suspensions of Dealings shall be provided for separately by the Contracting Officer.

**Supplementary Provisions**

These Guidelines shall come into effect as of October 24, 2007.

Appended Table 1 (Re: Art. 3, Art. 5)

Criteria for Measures Due to an Incident, etc.

Conditions for measures	Period of Suspension of Dealings
<p>(False Statements)</p> <p>1. When a Supplier has made a false statement in a report requested under open bidding, selective bidding or with regard to a discretionary contract in connection with a Contract awarded by the Institute, and is found to be inappropriate as the other party to a Contract</p>	<p>A period of not less than one month and not more than six months from the day on which this is recognized</p>
<p>(Shoddy Performance under a Contract due to Negligence)</p> <p>2. When a Supplier's performance under a Contract awarded by the Institute is found to have been shoddy due to negligence (excluding where the defect is found to be minor)</p> <p>3. When a Supplier's performance under a Contract awarded by another public institution has been shoddy due to negligence and the defect is found to be major</p>	<p>A period of not less than one month and not more than six months from the day on which this is recognized</p> <p>A period of not less than one month and not more than three months from the day on which this is recognized</p>
<p>(Breach of Contract)</p> <p>4. In addition to what is listed in items 2 and 3, when a Supplier is found to have breached a Contract awarded by the Institute and to be inappropriate as the other party to a Contract</p>	<p>A period of not less than two weeks and not more than four months from the day on which this is recognized</p>
<p>(Refusal of a Contract after Determination of a Winning Bid)</p> <p>5. When a Supplier declines to enter into a Contract under open bidding or selective bidding in connection with a Contract awarded by the Institute after the winning bid has been determined</p>	<p>A period of not less than two weeks and not more than four months from the day on which this is recognized</p>
<p>(Other)</p> <p>6. When a Supplier is found to be inappropriate as the other party to a Contract awarded by the Institute due to conduct, etc. similar to that listed in the preceding items</p>	<p>A period which is set by the Contracting Officer in accordance with the preceding items from the day on which this is recognized</p>

Appended Tale 2 (Re: Art.3, Art.5)

Criteria for Measures Due to Bribery and Other Unlawful Acts

Conditions for measures	Period of Suspension of Transaction
<p>(Bribery)</p> <p>1. When a person listed in any of the following (a), (b) or (c) has been arrested or charged without arrest on suspicion of having bribed an officer or employee of the Institute:</p> <p>(a) an individual who is a Supplier or an officer who has the authority to represent a judicial person that is a Supplier (including an officer with a title that is considered as denoting the authority to represent such a judicial person; hereinafter referred to as a "representative officer, etc.");</p> <p>(b) an officer (including an executive officer) of a Supplier or a person who represents a branch office or business office (meaning an office at which Contracts are regularly entered into), other than those who are listed in (a) (hereinafter referred to as a "general officer, etc."); or</p> <p>(c) an employee of a Supplier, other than those listed in (b) (hereinafter referred to as an "employee")</p>	<p>From the day on which the knowledge of the arrest or charge has been acquired:</p> <p>A period of not less than four months and not more than twelve months</p> <p>A period of not less than three months and not more than nine months</p> <p>A period of not less than two months and not more than six months</p>
<p>2. When a person listed in any of the following (a), (b) or (c) has been arrested or charged without arrest on suspicion of having bribed an employee of another public institution, and such person is found to be inappropriate as the other party to a Contract:</p> <p>(a) a representative officer, etc.;</p> <p>(b) a general officer, etc.; or</p> <p>(c) an employee.</p>	<p>From the day on which the knowledge of the arrest or charge has been acquired:</p> <p>A period of not less than three months and not more than nine months</p> <p>A period of not less than two months and not more than six months</p> <p>A period of not less than one month and not more than three months</p>
<p>(Act in Violation of the Antimonopoly Act)</p> <p>3. When a Supplier is in violation of Article 3, Article 8, paragraph (1), item (i) or Article 19 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947), and said Supplier is found to be inappropriate as the other party to a Contract.</p>	<p>From the day on which this is recognized:</p> <p>A period of not less than three months and not more than nine months</p>
<p>(Collusion, etc.)</p> <p>4. When an individual who is a Supplier or the officer or an employee of a Supplier has been arrested or charged without arrest on suspicion of collusion or of having obstructed an auction or bidding provided for in Article 96-3 of the Penal Code (Act No. 45 of 1907)</p>	<p>From the day on which the knowledge of the arrest or charge has been acquired</p> <p>A period of not less than two months and not more than twelve months</p>
<p>(Unlawful or Dishonest Acts)</p> <p>5. In addition to what is provided for in Appended Table 1 and the preceding items, when a Supplier has committed an unlawful or dishonest act in the course of business and is found to be inappropriate as the counterparty to a Contract.</p>	<p>From the day on which such recognition is made</p> <p>A period of not less than one month and not more than nine months</p>
<p>(Other)</p> <p>6. In addition to what is provided for in Appended Table 1 and the preceding items, when a representative officer, etc. has been charged on suspicion of an offense punishable by imprisonment without work or a greater sentence, or has been sentenced to imprisonment without work or a greater sentence or to a fine under the Penal Code (excluding those provided for in the items of Article 4, paragraph (2) of the Regulations on the Administrative Handling of Contracts of the National Graduate Institute for Policy Studies), and is found to be inappropriate as the counterparty to a Contract.</p>	<p>From the day on which this is recognized</p> <p>A period of not less than one month and not more than nine months</p>

Form 1 (Re: Art.6)

Date:

To:

National Graduate Institute for Policy Studies  
Contracting Officer  
Director-General, Administrative Bureau      Seal

### Notice of Suspension of Dealings

This is to notify you that the Institute has decided to suspend any and all dealings with your company that are involved in any contract with the Institute, as follows:

1. Period of the Suspension of Dealings:

From \_\_\_\_\_ to \_\_\_\_\_

2. Reason for the Suspension of Dealings:

3. For further information, please contact:





Form 3 (Re: Art. 6)

Date:

To:

National Graduate Institute for Policy Studies  
Contracting Officer  
Director-General, Administrative Bureau      Seal

Notice of Cancellation of a Suspension of Dealings

With regard to the Institute's Suspension of Dealings with your company, of which you were notified via the Notice of Suspension of Dealings (or Notice of a change in the period of a Suspension of Dealings) dated MM/DD/YY, this is to notify you that the Suspension of Dealings has been cancelled.