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Tit1e <b>ETHICS IN PROCUREMENT</b>	Approved By <b>Gary L. Holcomb CPPO, C.P.M.</b>	Page 1 of 3

### **POLICY**

The Purchasing Department believes in courtesy and fair dealing in carrying out our purchasing functions. Our goal is to perform in both an ethical and legal manner to support City needs. Every effort is made to ensure that Garland taxpayers receive the maximum value for every expenditure in a manner that preserves the public trust.

### **GENERAL**

A commitment to the highest professional ethics builds a reputation as people who are respected for performance and integrity. A comprehensive ethics policy helps employees, in both purchasing and purchasing-related functions identify situations that could be misinterpreted or could lead to a conflict. The following ethical principles should govern the conduct of every person employed by the City of Garland in purchasing and purchasing-related positions.

### **PERCEPTION**

Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.

The results of a perceived impropriety may become, over time, more disruptive or damaging than an actual transgression. If a situation is perceived as real, then it is in fact real in its consequences.

- Avoid the appearance of unethical or compromising practices in relationships, actions and communications.
- Avoid business relationships with personal friends. Request a reassignment of responsibility if the situation arises.
- Avoid noticeable displays of affection, which may give an impression of impropriety.
- Avoid holding business meetings with suppliers outside the office. When such meetings do occur, the meeting locations should be carefully chosen so as not to be perceived as inappropriate by other persons in the business community or your peers.

## **RESPONSIBILITY TO YOUR EMPLOYER**

Demonstrate loyalty to the employer by diligently following the lawful instructions of the employer, using reasonable care and only authority granted.

- Follow the letter and spirit of all City Directives, Policy, Procedure and Council Policy.
- Know and obey the letter and spirit of State and Federal laws. Interpretation of the law should be left to legal counsel.
- Understand the authority granted by the City of Garland, State and Federal laws.
- Obtain the maximum benefit for funds spent as agents for the City.

## **CONFLICT OF INTEREST**

Refrain from any private business or professional activity that would create a conflict between personal interest and the interests of the City.

We subscribe to the Human Resources Directive #8, Conditions of Employment, Sections 4.1, 4.2 and 4.3, which state:

- 4.1 Employees are prohibited from activities, which could be construed as a conflict of interest. A conflict of interest exists when:
  - 4.1.1 An employee uses his or her position or knowledge to influence a decision made by the City which could result in the employee's gain, or
  - 4.1.2 The interests of a group or business with which the employee is associated are in conflict or competition with the interests of the City, or
  - 4.1.3 An employee's private business interests could result in a related party transaction.
- 4.2 No employee shall have a direct or indirect financial interest in any contract with the City, or be directly or indirectly financially interested in the sale of land, materials, supplies or service to the City.
  - 4.2.1 No employee shall use privileged information acquired as a result of City employment for personal benefit or for the benefit of others.
  - 4.2.2 Employees shall formally withdraw from any decision making process in which the employee could personally benefit.
  - 4.2.3 Any employee who believes his or her private business interests could result in a related party transaction shall advise the City Manager of the situation.
- 4.3 The City Manager or City Council may void a contract if a person or corporation contracting with the City violates this directive.

### **GRATUITIES** (gifts and entertainment)

Gratuities include any material goods or services offered with the intent of, or providing the potential for, influencing a buying decision.

We subscribe to the Human Resources Directive #8, Conditions of Employment, Section 3.1, which states:

3.1 Except for official City business, the solicitation or acceptance of funds or anything of value shall not be permitted of or by any City employee or the general public, when such funds or items of value could reasonably be construed as an attempt or offer to secure privilege or influence. This section is not intended to forbid the acceptance of common business courtesies such as business lunches.

- Avoid frequent meals with the same supplier.
- The City employee should be able to pay for meals as frequently as the supplier. Budgeted funds should be available for such purposes.

Some guidelines that may be helpful in determining whether or not a gift/meal is an expression of friendship or goodwill or when the giver has another motive include:

- How would acceptance of this gift/meal look to other employees?
- Is it possible to share the gift/meal with co-workers?
- How frequently has something been received from the same person or organization?

### **SUPPLIER/VENDOR RELATIONS**

Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.

- Adhere to and protect the supplier's business and legal rights to confidentiality for trade secrets and other proprietary information.
- Purchase without prejudices, striving to obtain the maximum value for each dollar of expenditure in a fair and competitive manner.
- Avoid unreasonable demands for price cuts, special consideration or unattainable delivery schedules.
- Achieve a prompt and fair resolution of problems regarding orders, service or payment of invoices.
- A friendly, cooperative and yet objective relationship extended to all suppliers will help to avoid the appearance of partiality in business dealings.
- Actively strive to attain City and State policies and laws regarding purchases from small businesses and those owned by minorities and other disadvantaged groups.

Public employment is a public trust. Public employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement by responsible suppliers. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the City of Garland procurement organization. Refer to City Council Policy, Legal-03, Fraud to report potential violations.