

**Sam Houston State University
A Member of The Texas State University System**

**Finance & Operations Procurement and Business Services Polic0y-FO-PUR-02
Ethics**

PUBLIC TRUST

Public employment is a public trust. Any attempt to realize personal gain through conduct inconsistent with the proper discharge of an employee's duties is a breach of the public trust.

As employees of Sam Houston State University and The Texas State University System, we are subject to the standards of conduct of the University and the System. Employees of the University exercising either delegated purchasing authority or who participate directly or indirectly in the procurement process are bound to honor these standards of conduct. The standards of the University and the TSUS System are located in the University's Policies and Procedures and the TSUS Board of Regents Rules and Regulations respectively.

HONOR

Employees acknowledge and honor the standards of conduct and the policies and procedures of the University.

CONDUCT

Employees shall conduct purchasing without favoritism and without arbitrariness or caprice.

PECUNIARY INTEREST

No employee shall enter into discussion or participate directly or indirectly in a procurement in which the employee has pecuniary interest.

CONFLICT OF INTEREST

No employee shall enter into discussion or participate directly or indirectly in a procurement in which the employee has a conflict of interest. Employees who breach an ethical standard of conduct will be subject to disciplinary action and may be subject to criminal prosecution for fraud. Fraud is a deliberate action intended to deceive another for personal gain. Potential conflict must be disclosed.

GIFTS

An employee should not accept or solicit any gift, favor, service, trips, or loan that might reasonably appear to influence the employee in the discharge of official duties.

BENEFITS FOR PERFORMING OFFICIAL DUTIES

An employee should not solicit, accept, or agree to accept any benefit for having exercised official powers or for having performed official duties.

Faculty and staff who participate in the evaluation of vendor bids and proposals are required to sign and abide by a Conflict of Interest and Non-Disclosure forms that applies specifically to the solicitation being evaluated. Evaluation team members must sign a separate form for every bid/proposal they evaluate.

NEPOTISM DISCLOSURE

HB 2932 from the 79th Legislative Session created Texas Government Code 2262.004, Required Nepotism Disclosure. Section B of this statute states the following:

Before a state agency may award a major contract for the purchase of goods or services to a business entity, each of the state agency's purchasing personnel working on the contract must disclose in writing to the administrative head of the state agency any relationship to the purchasing personnel it is aware about that the employee has with an employee, a partner, a major stockholder, a paid consultant with a contract with the business entity, the value of which exceeds \$25,000, or other owner of the business entity that is within a degree described by Section 573.002.

Sam Houston State University
A Member of The Texas State University System

Any person who makes decisions or recommendations at any point throughout the process of major contract development, evaluation, award, monitoring and re-award are required to disclose in writing to the Administrative Head (AH) or AH's designee any relationship the prescribed person has with the respondent or potential respondent(s) with pecuniary interest value of \$25,000 or higher who directly or indirectly controls more than 10% interest in the respondent's company.

Before awarding or re-awarding any major contract any person as described above must comply with the following:

- Disclosure must be provided by signing the State Auditor's Office (SAO) Nepotism Disclosure form (ND Form). The ND Form may be located at <http://www.sao.texas.gov/Documents/Forms/NepotismDisclosureForm.pdf>
- If no conflicts exist, include the ND Form as the first page of the contract file so that other persons provide requisite signatures on the same form.
- If conflicts of interest exist, the ND Form must be signed by the person making decisions and or recommendations regarding the major contract. A copy of the signed ND form must be forwarded to the agency head or designee for evaluation.
- This Act took effect on September 1, 2005.
- Applies only to a contract awarded or extended on or after the effective date of Texas Government Code 2262.004.

DEFINITIONS

Major Stockholder means a person who directly or indirectly owns or controls more than 10 percent interest or a pecuniary interest with a value exceeding \$25,000 in a business entity.

Procurement and Business Services Personnel means an employee of a state agency who makes decisions on behalf of the state agency or recommendations regarding:

- Contract terms or conditions on a major contract;
- Who is to be awarded a major contract;
- Preparation of a solicitation for a major contract; or
- Evaluation of a bid or proposal.

Reviewed by: Tessy Rappé, AVP Finance & Operations
 Reneé Starns, Exec. Director Procurement & Business Services

Review Date: April 2017

Next Review Date: April 2020