

Memo to: UH-Downtown/PS Holders
From: William Flores, President
Subject: Code of Conduct - Procurement Responsibilities

UH-Downtown/PS 05.C.07
Issue No. 3
Effective date: 09/16/2014
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1. PURPOSE

University of Houston-Downtown (UHD) employees have a responsibility to the public to maintain high institutional and personal standards in the performance of their official duties. This document defines the standards of conduct that must be met by all university employees engaged in any activity related to purchasing or contracting for goods or services for the university regardless of the funding source. This document complies with state and federal laws, standards of ethics, and good business practices.

2. DEFINITIONS

- 2.1 Benefit: Anything reasonably regarded as providing monetary gain or advantage. For the purposes of this policy, such benefit shall include personal and individual invitations to meals or items of significant gain or advantage with a value of \$50.00 or more.
- 2.2 Conflict of Interest: A situation in which there is a divergence between the employee's private interests and the employee's professional obligations to the university (i.e., the public interest) such that an independent observer might reasonably question whether the employee's actions or decisions are determined by considerations of private gain, financial or otherwise, to the university's detriment. Such a situation may result from consulting or other outside paid professional service, a relationship defined as a related-party interest, or any other relationship that results in a gift or other benefits to the employee.
- 2.3 Related Party Interest: A business or personal relationship that exists between a component university employee and an outside individual or organization that may influence the employee's actions or decisions due to considerations of private benefit - financial or otherwise - and/or may create or be perceived as creating a conflict of interest.
- 2.4 Immediate Family: Includes spouse and dependent children. Dependent children, for the purposes of this policy, include adopted, step, and foster children as well as natural sons and daughters.
- 2.5 Procurement or Purchasing Activities include:
 - 2.5.1 Approval, disapproval, or recommendations concerning a procurement transaction
 - 2.5.2 Preparation of any part of procurement actions

- 2.5.3 Influencing the content of any specification or procurement standard
- 2.5.4 Acting in any advisory capacity, including rendering of advice, investigation, or auditing in any procurement activity
- 2.6 Regular Employee: A university employee who is employed at least 20 hours per week on a regular basis for a period of at least 4-1/2 months, excluding students employed in a position for which student status is a condition of employment.
- 2.7 Department Head: In case of a principal investigator, his/her academic department head. In the case of a staff employee, it is the employee's immediate supervisor.
- 2.8 Consulting and Other Outside Employment Relationship: Activities undertaken for remuneration from a third party within the scope of activities, functions, or expertise for which the individual is compensated by the University of Houston-Downtown.

3. POLICY

- 3.1 This policy applies to all procurement activities by all university employees and in particular to regular faculty, exempt staff, and non-exempt staff who have certifying signature authority. These directives apply to procurement actions from all sources of funds.
- 3.2 UHD employees shall not participate in the selection of a vendor or the award or administration of any contract or purchase if a real or apparent conflict of interest would be involved. A conflict would exist if the employee or any member of his or her immediate family had a financial or other interest in a firm otherwise eligible for the procurement action and that interest would result in personal benefit to the employee or family member.
- 3.3 University employees shall neither solicit, demand, nor accept any gift, favor, privilege, benefit, service, exemption, special discount, trip, employment, loan, gratuity, economic opportunity, or thing of value from any vendor, contractor, or party to a sub agreement that would result in personal benefit and/or that could influence the employee's official conduct. In cases where the appropriateness of the benefit may be in question, the benefit should not be accepted.
- 3.4 Any attempt to realize personal gain through conduct inconsistent with the proper discharge of the employee's duties to the university is a breach of the public trust and will subject the employee to disciplinary action up to and including termination, as well as to the possibility of criminal charges.

- 3.5 University employees who, as a function of their job responsibilities, participate directly or indirectly in any procurement activity may not (nor shall any member of their immediate families):
 - 3.5.1 Acquire or maintain a direct financial relationship pertaining to the procurement.
 - 3.5.2 Acquire or maintain a direct financial relationship with a business or organization pertaining to the procurement.
 - 3.5.3 Enter into a negotiation or an arrangement concerning prospective employment with a person, business, or organization involved in any specific procurement in which the employee is involved.
- 3.6 A university employee shall not offer, give, or agree to give any individual or organization a gratuity, benefit, or offer of employment in connection with any procurement activity.
- 3.7 A university employee may not disclose confidential information obtained by reason of his or her position nor otherwise use such information for actual or anticipated personal gain or for the personal gain of any other person.
- 3.8 This policy allows the use of employee-authored textbooks or other intellectual property in the employee's courses.
- 3.9 All faculty and staff in a position to originate purchase requests or influence purchasing decisions shall annually complete a disclosure statement regarding related-party interests as required in [UH System Administrative Memorandum 03.A.17, Disclosure of Related Party Interests](#).

4. PROCEDURES

- 4.1. There is an important distinction between a related-party interest and a conflict of interest. A related-party interest is a question of fact and results when an individual is in a position to personally benefit from transactions entered into by the University of Houston System. Whether such a transaction or relationship creates a conflict of interest requires a subjective evaluation of the facts and circumstances by the appropriate Vice President.
- 4.2. To avoid timing problems associated with annual reporting, it is suggested that before engaging in such activities administration, faculty, and staff members disclose in writing, through their department chairperson, to the Chancellor the nature and extent of planned related-party interests.
- 4.3. Department chairpersons and the Vice President shall review the disclosures and inform any faculty or staff member if their outside activity or relationship represents, or is

believed to represent, a conflict of interest. Remedial action will be suggested when indicated.

5. EXHIBITS

There are no exhibits associated with this policy.

6. REVIEW PROCESS

Responsible Party: Vice President for Administration & Finance and Vice President for Academic Affairs

Review: Every three years on or before August 1st.

Signed original on file in Employment Services and Operations.

7. POLICY HISTORY

Issue #1: 11/01/99

Issue #2: 08/12/10

8. REFERENCES

[UH System Administrative Memorandum 03.A.17](#)