

CHAPTER 2 – Ethics

A special responsibility is imposed on all City officers, employees, and agents (hereafter referred to as “employees”) entrusted with the allocation of City funds. In government procurement, employees are held to the highest degree of integrity required to secure best economic results, and required to comply with the procurement process.

It is critical that all City employees involved in procurement and procurement-related functions remain independent, free of obligation or suspicion, and completely fair and impartial. Credibility and public confidence are vital. A shadow of doubt can be as harmful as the conduct itself and employees should make every effort to:

- Avoid the intent and/or appearance of unethical or compromising practice in relationships, actions, and communications. If a situation is perceived as real, then it is in fact real in its consequences.
- Avoid business relationships with personal friends and relatives.
- Avoid holding business meetings with suppliers outside the office. If such a meeting is necessary, carefully choose the location so there will be no perception by others in the business community or your peers of impropriety.

A. Employee Standards of Conduct

City Employees will:

- Promote positive vendor relations through courtesy and impartiality in all phases of the procurement process.
- Actively strive to comply with City policies, federal and state laws regarding purchases from HUB (Historically Underutilized Businesses)
- Handle confidential or proprietary information belonging to the City, fellow employees or vendors with care and proper consideration of ethical and legal ramifications, and governmental regulations.
- Never use information gained confidentially in the performance of duties for profit.
- **Prohibited Conduct:**
City employees shall not participate in the negotiation, selection, discussion, award or administration of a contract or procurement supported by public, **state or federal** funds if:
 - That individual has a substantial interest in a person or entity (Chapter 171 of the Texas Local Government Code) that is the subject of the contract or procurement.
 - **That individual has a substantial interest in a person or entity (2CFR 200.318(c)(2)) that is the subject of the contract or procurement.**
 - A conflict of interest exists. A conflict arises when a City employee, officer or agent, or any relative or potential relative thereof (family members), a partner or a person or an organization that employs or may employ in the near future any of these individuals, has a financial or other interest (directly or indirectly) in the sale to the City of any materials, supplies or services, including any proposed or existing contract, purchase, work, sale, or service to, for, with, or by the City.

- **Personal and Non-Profit Agency Use Prohibited:**

The purchase of goods, equipment or services for personal use by a City officer, employee, agent, or family members, or made by same on behalf of a non-profit agency, from City business accounts and/or contracts is prohibited.

- Employees that are involved in contract negotiations should not purchase merchandise or services for personal use with a vendor that is currently working, seeks to work, or has worked for the City.
- Employees shall NOT use the City of Wylie tax exemption forms for personal or non-profit use, nor set up accounts with a City tax exemption form in their personal name.
- A City officer, employee, agent, or family member may purchase merchandise or services from a vendor doing business with the City provided that the price at which the item is purchased is the same price charged to a designated segment of the public regardless of place of employment, or all officers and employees of the City.
- If a City officer, employee, agent, or family member acquires merchandise or services for the employee's personal use from a vendor doing business with the City, such merchandise or services may not be delivered to the employee or another City employee unless the acquisition is paid directly to the vendor by the employee. No personal invoices are to be mailed to an employee (or another City employee for or on behalf of the employee) at the employee's (or other employee's) place of work. Neither the vendor nor the employee may process the purchase under the City's tax exempt status. Employee is responsible for payment of applicable sales tax.

- **Gratuities (Gift and Entertainment):**

City employees shall not:

- Solicit and/or accept benefits or gifts of any kind from vendors, actual or potential.
- Provide special favors or privileges to anyone, either as payment or under any other circumstances.
- Be in violation of any City ordinances or HR Policies regarding ethics/gifts.

B. Employee Conflict or Substantial Interest

In the event of a conflict of interest or substantial interest, as set forth above, the affected employee must adhere to the following procedures:

- Sign a declaration of possible Conflict of Interest form;
- Abstain from participating in the procurement process, which includes, but is not limited to, discussions, lobbying, rating, scoring, recommending, explaining or assisting in the design or approval of the procurement process, selection of vendors, or the award of the contract:
 - Where the officer, employee, agent or family member directly represents an organization or may receive an economic benefit;
 - Where the officer, employee, agent or family member may directly receive an economic benefit;
 - Where the officer, employee, agent or family member is in direct competition with a proposal or bid which would provide a direct financial benefit;

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Any deviation from this policy must be submitted in writing by the Director, providing departmental procedures detailing how the conflict will be managed, and approved by the Purchasing Manager and Finance Director.

C. Vendor Conduct

Vendors, their officers, employees, agents, partners or sub-contractors, seeking to do business with the City or contracted to do business with the City must:

- At all times be in compliance with all federal, state and local laws;
- Conduct themselves ethically and refrain from any exchange of favors, money, gifts or other forms of favor with any City officers, agents, employees, employee family members or potential family members;
- Maintain an accurate "Conflict of Interest Questionnaire" (Texas Ethics Commission) with the City Secretary's office;
- Vendors, their officers, employees, agents, partners or sub-contractors, who are directly involved with the writing of any type of specification created for the purposes of a fair and open procurement process, may not submit an offer or response.

Violation of this policy may result in the Vendor, their officers, employees, agents, partners or sub-contractors being barred from working with the City, or in the voiding of any contracts. Violations of state or federal law shall be referred to the proper authority having jurisdiction over same.

D. Violations and Remedies

Violations of policy may constitute misconduct, subjecting the violator to any and all penalties prescribed by federal and/or state law, the City's HR Manual, City Ordinance or City Charter; up to and including termination.

Penalties, sanctions or other disciplinary actions, to the extent permitted by federal, state or local law, rules or regulations, shall be imposed for violations of the code of conduct/conflict of interest standards, by a City officer, employee or agent, or by persons, contractors or their agents, when the procurement involves state or federal programs and/or funds.

Violations of state or federal law shall be referred to the proper authority having jurisdiction over same.

E. Disclosure of Certain Relationships:

City employees and officials must become familiar with the requirements in Texas Local Government Code Chapter 176, Disclosure of Certain Relationships with Local Government Officers; and Texas Local Government Code Chapter 171, Regulation of Conflicts of Interest of Officers of Municipalities; and the penalties provided therein.