

UNIVERSITY *of* HOUSTON  
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

**SECTION: Procurement**  
**AREA: Reference**

**Number 04.00.00**

<b>SUBJECT: Code of Conduct - Procurement Responsibilities</b>
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**I. PURPOSE AND SCOPE**

University employees have a responsibility to the public to maintain high institutional and personal standards in the performance of their official duties. This MAPP 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. This directive is written to comply with state laws and federal guidelines, standards of ethics and good business practices.

This MAPP applies to all procurement activities by all university employees and particularly to regular faculty, exempt staff and non-exempt staff who have certifying signature authority. This directive applies to procurement actions from all sources of funds.

**II. POLICY STATEMENT**

University of Houston 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. Such a conflict would exist when the employee or any member of his or her immediate family has a financial or other interest in the firm otherwise eligible for the procurement action, and that interest would result in personal benefit to the employee or family member.

University employees shall neither solicit nor accept any gift, favor, privilege, benefit, service, exemption 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 employees' official conduct.

Any attempt to realize personal gain through conduct inconsistent with the proper discharge of an 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, and the possibility of criminal charges.

### III. DEFINITIONS

- A. Benefit: According to statute, anything reasonably regarded as providing monetary gain or advantage. For the purposes of this document, 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.
- B. 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.
- C. Financial relationship: Includes paid employment, consulting or other contract work, ownership or investment such that the relationship accrues a financial benefit to the employee or family member. This directive concerns benefits to the employee or family member that are direct and substantial.
- D. 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.
- E. Department head: In the case of a principal investigator, his/her academic department head. In the case of a staff employee, it is the employee's immediate supervisor.
- F. Immediate family: Includes spouse and dependent children. Dependent children, for the purposes of this document, include adopted, step- and foster children and natural sons and daughters.
- G. Procurement or purchasing activities:
- approvals, disapprovals or recommendations concerning a procurement transaction;
  - preparation of any part of procurement actions;
  - influencing the content of any specification or procurement standard; and
  - acting in any advisory capacity including rendering of advice, investigation or auditing in any procurement activity

- H. Regular employee: A University of Houston employee who is employed at least 20 hours per week on a regular basis for a period of at least four and a half months, excluding students employed in a position for which student status is a condition of employment.

#### IV. PROVISIONS

- A. 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):

- acquire or maintain a direct financial relationship pertaining to the procurement;
- acquire or maintain a direct financial relationship with a business or organization pertaining to the procurement; or
- 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.

- B. A university employee shall not solicit, demand, or accept any personal benefit, economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor or service from any vendor, contractor or party who may have any direct connection with a current procurement activity.

For the purposes of this document, 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. In cases where the appropriateness of the benefit may be in question, the benefit should not be accepted.

- C. A university employee shall not offer, give, or agree to give any individual or organization a gratuity, benefit or an offer of employment in connection with any procurement activity.
- D. A university employee may not disclose confidential information obtained by reason of his or her position or otherwise use such information for actual or anticipated personal gain or for the personal gain of any other person.
- E. This document allows the use of employee-authored textbooks or other intellectual property in an employee's courses.

**V. PRIOR NOTIFICATION OF EXTERNAL RELATIONSHIPS**

- A. Prior to an employee or any member of the employee's immediate family entering into any financial relationship or accepting any benefit, the employee must submit to his or her department head a detailed written disclosure of the proposed relationship. The disclosure shall include:
- the name and relationships of the individual entering into the relationship or activity;
  - the nature of the pending activity or relationship;
  - the relationship between the outside entity and the university;
  - any benefits to be gained by the employee or family member; and
  - a description of how the employee will ensure separation of interests between the commitment to the outside entity and to the university.
- B. The employee's department head shall review the information provided and request any additional information, which may be considered pertinent. Indicating whether he/she believes that a conflict of interest may be present, the department head shall forward the written disclosure through appropriate channels to the responsible Vice President for final determination and approval of the proposed activity.

Where the employee is a principal investigator or co-principal investigator in a research project, additional terms and conditions may be imposed by federal regulation. In those cases, the disclosure shall be forwarded through the Vice President for Research.

**VI. ANNUAL CERTIFICATION**

- A. Once every year, the Vice President for Administration and Finance shall distribute a copy of this MAPP to all regular faculty, exempt staff and non-exempt staff with certifying signatory authority. Such distribution shall be coordinated with other annual compliance certifications.

- B. All employees in the defined categories shall complete an annual certification for compliance entitled Consulting and Professional Services Reporting Form (Addendum A). Where the employee is a principal investigator or co-principal investigator in a research project, or fills other funded research roles as defined in the university "Policy on Conflict of Interest for Academic Staff," the form, terms and conditions required by that policy are entitled Disclosure of Potential Conflict of Interest Form (Addendum B). Following the forms' completion, forms for all employees in the defined categories will be returned through the College/Division Administrator or other designated administrator.
- C. Information required by University of Houston System policies shall be consolidated and forwarded to the UH System for reporting to the Board of Regents.

## VII. SANCTIONS FOR NON-COMPLIANCE

- A. Should a situation be identified in which an employee or a member of the employee's immediate family is involved in any business or professional activity or relationship and/or has accepted any benefit that creates a conflict of interest or commitment with the employee's responsibilities to the university, the situation should be brought to the attention of the Vice President for Administration and Finance or, in the case of faculty or research staff, to the Senior Vice President for Academic Affairs and Provost.
- B. Depending upon the nature of the conflict, the Department of Internal Auditing and/or the University of Houston Police Department may be contacted to investigate the potential conflict.
- C. Depending upon the results of the investigation(s), the employee may be subject to disciplinary action up to and including dismissal and possibly to criminal charges.

VIII. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice President for Finance

Review: Every three years, on or before March 1

IX. APPROVAL

John Rudley  
Vice President for Administration and Finance

Jay Gogue  
President

Date of President's Approval: September 6, 2005

Effective Date: August 31, 2005.

X. ATTACHMENTS

Addendum A: Consulting and Professional Services Reporting Form

Addendum B: Disclosure of Potential Conflict of Interest Form

XI. REFERENCES

Board of Regents Policies 13.02 and 13.08

UH System Administrative Memoranda 02.A.08 and 02.A.09



**Addendum B****University of Houston****Disclosure of Potential Conflict of Interest Form**

Name: \_\_\_\_\_ Academic Year: \_\_\_\_\_

Faculty or Staff: \_\_\_\_\_ Title: \_\_\_\_\_

Department(s): \_\_\_\_\_ Percent FTE: \_\_\_\_\_

If you are a principal investigator or co-principal investigator and/or are responsible for the design, conduct or reporting of research or educational activities and you or your work is supported by an external or internal grant, cooperative agreement or contract, you may be required to comply with the UH Policy on Conflict of Interest for Academic Staff and to complete an alternative "Annual Certification of Compliance with the Policy of Conflict or Interest for Academic Staff" furnished by the Office of Sponsored Programs.

1. Have you in the past academic year had a consulting or other paid employment relationship with any organization besides the University of Houston?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes indicate the total number of days spent on these activities: \_\_\_\_\_

2. Do you or any member of your immediate family have an employment or financial relationship with an organization that you know to be a vendor, contractor or party to any procurement activity in which the University of Houston is a party, or does it provide a financial interest that in any way might be interpreted as creating a conflict of interest?

Yes \_\_\_\_\_ No \_\_\_\_\_

3. Have you or any member of your immediate family accepted any benefit, gift or remuneration from any outside entity that you know to be a vendor, contractor, or party to any procurement activity in which the University of Houston is party?

Yes \_\_\_\_\_ No \_\_\_\_\_

**Addendum B (Page 2)**

If you have answered **yes** to questions 2 or 3, please attach a detailed explanation of the relationship or benefit.

I certify that I have read the attached policy and have provided full disclosure of all relationships that may create a conflict with my University of Houston obligations and responsibilities.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date