



I. Purpose

To promulgate the Procurement Services Ethics Policy to all staff and to reinforce the concepts of public procurement ethics coupled with individual responsibility.

II. Policy Duration

This policy is effective upon publication, and will remain effective until rescinded by written notification by the Director of Procurement Services.

III. Policy Review

This policy will be reviewed every 24-months, and will be adjusted, rewritten, or abolished when found to be no longer effective or when superseded by policy of a related and inclusive nature. In all cases, the new or superseding policy will be approved by the Director of Procurement Services, and will result in this policy being rescinded in writing by the Director of Procurement Services.

IV. General Policy Statement

The nature of public procurement and materials management dictates that purchasing, contracting, and materials professionals and the associated support staff adhere to strict ethical principles. Ethical principles in procurement encompass the concepts of impartiality, fairness, honesty, and loyalty.

Impartiality in the procurement of goods and services for the District is defined as evaluating each bid and proposal received on the basis of value and merit without regard for personal or professional relationship with the vendor or any vendor's representative, and without regard for conjecture, opinion, or statements of favor or disparagement by those who would prefer to see an award made to one bidder over all or any other.

Fairness indicates that, without exception, all who express an interest in doing business with the District are afforded the same opportunity and are treated in the same manner. This is indicated by applying bidding requirements and award consideration equally and even handedly. While this may result in uncomfortable or difficult situations for the Procurement Services staff in rejecting non-responsive bids or proposals, in reporting non-responsive conditions to bidders, and in making recommendations to award to the Board of Port Commissioners, it is necessary to ensure that the public procurement process and the outcomes resulting from the process are consistently seen as fair and equitable by the bidders and the public.

Honesty is paramount in the public procurement process. The ability to state facts and tell the truth in all dealings with contractors, services providers, vendors, and the public is demanded to ensure that the District is serving the public trust in the manner expected. Procurement Services staff must not mislead the vendors or internal customers in an effort to create a better partnership, and must not use tactics that could be perceived as hedging, baiting and switching, or abusing rightful powers to negotiate to undermine the process. Further, the staff must not engage in any activity that could give the appearance or be perceived as using their professional position for personal benefit.

Loyalty to the District demands that the Procurement Services staff be faithful and dedicated to the agency and remain free from any conflict of interest resulting from outside business and personal influences.

The Procurement Services Department prescribes to a strict code of ethics in the administration and execution of public purchasing and contracting and the receipt, handling, and disposition of public property. As such, the Procurement Services staff is expected to maintain the highest degree of integrity in conducting the business of the District, and is expected to immediately report any action or situation that may be perceived as an attempt to gain favor or influence decisions. To that end, the staff is expected to adhere to the following specific rules of ethical procurement behavior.

- Procurement Services staff shall not solicit or accept any form of gift or gratuity of any type or value from any vendor, contractor, service provider, bidder, proposer, freight or package carrier, or other person engaged in business with the District for any reason. All such items will be refused and returned to the vendor immediately, and will be reported to Director of Procurement Services for documentation. Those items that cannot be returned will be reported to the Director of Procurement Services, and passed to the District's Marketing Department for donation to the public.
- As much as is practical and reasonable, Procurement Services staff shall avoid engaging in personal business with known vendors of the District. Where personal business is conducted with District vendors, Procurement Services staff shall not solicit or accept any discounts, credits, or other favorable pricing from vendors for personal purchases that are not offered to the general public. Offers of special pricing or special discounts from vendors doing business with the District will be refused, and will be reported to the Director of Procurement Services for documentation.
- Procurement Services staff shall avoid holding meetings with vendor's representatives or with service providers outside of the office. Where it is necessary to meet outside of the office, staff shall be cautious to limit such meetings to those that are necessary to conduct the business of the District. Staff shall not engage in lunch meetings, after-hours meetings, or any other social engagement type of meeting that may create a perception of favoritism or impropriety by the community or by their peers.

- Procurement Services staff shall adhere to and protect the bidder's or vendor's legal rights to confidentiality for trade secrets and other proprietary information as set forth in the California Public Records Act, and shall not disclose information that may be damaging or prejudicial to the bidder's or vendor's business operations. Any attempt by a competing bidder or supplier to obtain confidential or proprietary information shall be denied, and shall be reported to Director of Procurement Services immediately.
- Procurement Services staff shall avoid engaging in District business activities with vendors with whom staff has a personal relationship. In such cases where a person of a personal relationship may be involved in selling products, providing services, or having influence over decisions on the vendor's behalf, the procurement professional shall advise the Director of Procurement Services of a potential conflict of interest, and shall request to be removed from any activities involving any District business with said vendor.
- Procurement Services staff shall not engage in bidding for or acquiring any property declared surplus to the District's needs, and shall not influence others to acquire such property for the purposes of indirect acquisition through secondary purchase or transfer.
- Procurement Services staff shall not use their position to exert leverage on or to persuade vendors or their representatives to create a benefit for agencies or organizations that the staff member may represent.

While the restrictions listed in this policy are strict, they are designed to ensure that the Procurement Services staff can apply ethical practices and standards uniformly and without hesitation. This policy does not preclude the staff from establishing courteous, professional, and friendly relationships with vendors, but it does assist the staff and the District in avoiding actions that may be perceived as favoritism or impropriety.



Matthew Earle
Director, Procurement Services

Adopted or last reviewed: February 9, 2017

Next review: February 9, 2019