

DAR -- PART 3
Business Relations

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Business Relations

3.000 Scope of Part

This part provides the rules and procedures for contract administration; professional business relations with the District's current and potential business contacts; the dissemination of information relative to conducting purchasing business; the establishment of ethical standards for the District's employees in conducting the District's business; and methods of transacting business.

Subpart 3.1 – Professional Business and Vendor Relations

3.100 Responsibility

- a. The Procurement & Contracting Department is responsible for taking the lead in establishing and maintaining working relations with the District's current and potential businesses and vendors.

3.101 Businesses and Vendors

- a. Procurement and Contracting will maintain a source list for each District category of work or requirement.
- b. Vendors are to transact their business with the procurement department and to contact the schools and offices of the District only after contacting the procurement department and obtaining approval for the visit.
- c. District employees should always direct vendors who contact them for the purpose of sales, promoting, or demonstration of products or services, to set appointments through the procurement office.

Subpart 3.2 – Ethical Standards and Conflicts of Interest

3.200 Ethical Standards

- a. In supplement to and consistent with C.R.S. 24-18-104 governing public officers, all District staff shall conduct business in such a manner so as to avoid a conflict of interest or an appearance of a conflict of interest.
- b. Procurements of a type that may be interpreted, by any reasonable person, as inappropriate, or a reward or gratuity, rather than as an expense directly related to the mission of the particular site or department initiating the procurement, must be approved by the Executive Director of Procurement and Contracting.
- c. Any employee or district official engaged in any part of the procurement process or in any particular procurement, such as the design of contracted work, estimating costs, signing a procurement, administering a procurement by approving payments, inspection and acceptance, etc., shall avoid an actual or an apparent conflict of interest. Examples of an actual or apparent conflict of interest are:
 1. Having a financial or other substantial interest in a company competing for a District procurement;
 2. Having an immediate family member employed by a company doing business or competing for business with the District (unless it can easily be shown that no preferential price and/or service was granted);
 3. Reciprocate a favor by awarding or recommending a consultant or other contract;
 4. *Solicitation* or acceptance of gift(s), contribution(s), services, materials, or any other item of value that is not directly related to the mission of the District;

5. Endorsement by an employee of a product or firm, or engagement in advertisement for textbooks, instructional materials, or goods and services;
 6. Providing *confidential information*, District internal independent estimates, and/or the prices of another competitor while the competitive process is evolving;
 7. Working as an employee of a contractor or firm who also does business with the District, even if the work is not related to the District;
 8. When a District employee uses his/her position when contracting for services or purchase for personal use from contractors or businesses who are also a firm doing business with the District;
 9. Promoting/encouraging business transactions with a company that employs his/her spouse, or any member of the immediate family; and
 10. Acceptance of recreational opportunities in or outside the workplace from a firm doing business with the District, unless prior approval is obtained from the individual's department director and a copy of the request and approval is filed with the Director of Procurement and Contracting.
- d. When dealing with potential or actual businesses of the District, employees shall:
1. Accord fair and equal treatment to all suppliers and their representatives;
 2. Protect the confidentiality of all information and quotations of prices, unless it may be released for other reasons e.g., after bid openings;
 3. Remain scrupulously free from obligations to any company seeking or doing business with the District; and
 4. Avoid getting locked in to one supplier or manufacturer (sole source) for readily available supplies.

3.201 Purchases from Employees or Board Members

Purchases using District funds shall not be made from an individual or a business owned or controlled by a *Board* member or a District employee or a member of their immediate household unless:

- a. There is no actual conflict of interest because it has been proven through competition that the purchase is in the best interest of the District.
- b. Written approval is given by the Executive Director, Procurement and Contracting Department.
- c. The written approval shall be maintained in a file located in the Procurement & Contracting Department.

3.202 Conflicts of Interest and Reporting Conflicts

- a. An individual who discovers or is knowledgeable of an apparent or actual conflict of interest on any specific procurement *shall* immediately report, in writing, the potential or actual conflict to the Executive Director, Procurement and Contracting. The Executive Director, Procurement and Contracting *shall* review the procurement and the involvement of the individual to determine if the employee should withdraw from performing any part of the particular assignment, or if the employee may continue and under what circumstances they may continue in the procurement.
- b. Since many actions can and are scrutinized by the public, a written record of the action shall be maintained in the Procurement Department.
- c. Failure to report or continued participation while a conflict is apparent may be grounds for disciplinary action.

3.203 Unauthorized Commitments

- a. An *unauthorized commitment* is an agreement that is not binding to the District solely because the District employee who made the commitment lacked the authority to enter into that agreement.

- b. District supervisors shall take positive action to preclude their employees, to the maximum extent possible, from entering into an *unauthorized commitment* and for the need to seek *ratification* for the *unauthorized commitment*.
- c. Upon discovery of an *unauthorized commitment*, or a business entity presents an invoice or files a claim against the District, if the commitment was made by a District employee who lacked the commitment authority, the following action shall be taken:
 1. The information contained in (c)(1) above shall be forwarded to the Executive Director, Procurement & Contracting and to the executive director/deputy superintendent, who will make a determination and findings (D&F) as follows:
 - (a) Whether the *unauthorized commitment* would have been proper if it had been made by an authorized *contracting officer*, e.g., are the terms and conditions acceptable; were the rules for competition followed; were competing businesses given equal opportunity to compete; were any of the procurement rules violated, etc.;
 - (b) Whether the unauthorized procurement cost is fair and reasonable;
 - (c) Whether the plan for preventing future occurrences is acceptable;
 - (d) Whether it is necessary to obtain a legal opinion; and
 - (e) Whether discipline is appropriate.
 2. Based on the information submitted and the determination and findings made, the Executive Director, Procurement and Contracting, may consider any of the following actions:
 - (a) The *unauthorized commitment* may be ratified by a district *contracting officer*;
 - (b) Determine that the *ratification* is not proper e.g., in a case where the commitment is not legal, or it is a second violation from the same department, or otherwise not in the best interest of the District;
 - (c) The Executive Director, Procurement and Contracting may determine that the responsible organization make an oral presentation to the Deputy Superintendent/CFO as to why an unauthorized action should be ratified.
 3. The *unauthorized commitment* shall be documented, as soon as it is discovered, by the individual's supervisor and shall include the following information:
 - (a) The sequence of events leading to the *unauthorized commitment*;
 - (b) A statement describing the *unauthorized commitment*;
 - (c) A statement whether the supplies or services have been received;
 - (d) The dollar amount of the *unauthorized commitment*;
 - (e) A determination that funds are available in the approved budget to pay for the *unauthorized commitment* if it is ratified; and
 - (f) A statement from the supervisor responsible for the supervision of the District employee stating how future occurrences of *unauthorized commitments* will be prevented.
 4. When an *unauthorized commitment* is not ratified, the responsible employee may be held to be personally responsible and will either be required to personally make payment or the District may make payment and recover its costs through payroll deduction. In addition disciplinary action may be taken in accordance to the appropriate District personnel rules.