



Ethics in Procurement

By: Angelique Dorsey White, Esq., Ethics Officer

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Who We Are: Ethics

- ✚ Code of Ethics enacted 20 years ago; follows State Public Ethics Law
- ✚ Independent Board of Ethics oversees all ethics-related matters at WSSC Water, including investigations and hearings
- ✚ Ethics Officer directs day-to-day program, conducts training and provides guidance



What's “Ethics”?

• It's the...

- Decisions, choices and actions we make that reflect and enact our values
- Basis for rules and laws
- Commitment to doing the right thing even when it goes against our self interests

Why Does Ethics in Public Contracting Matter?



Promotes trust, impartiality, and best use of public resources



Avoids actual and perceived improper influence or favoritism

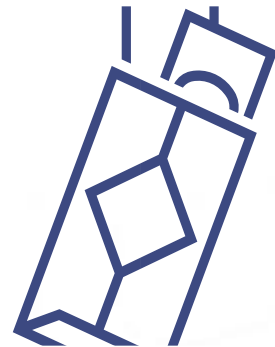


You or your company can be suspended from contracting, debarred, and/or subject to criminal prosecution

Ethical Contracting Principles



**Collusion
Prohibited**



**No Illegal Gifts
or Kickbacks**



**Restricted
Communications**



**Restricted
Participation**

Collusion

(Code Chapter 1.70.240)



Consists of:

Bid Suppression

- Agreement not to bid

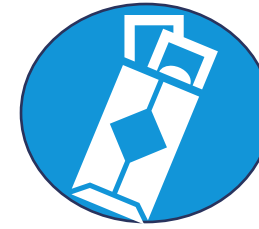
Complementary bidding / Rotation

- Agreeing who will win / taking turns winning

Market Division

- Agreeing on territories

* Must be reported to the Inspector General *



Illegal Gifts and Kickbacks

(Code Chapter 1.70.240)

Value Money, fees, commissions, credit gifts, or compensation of any kind

Parties Given directly or indirectly to anyone involved in the bid or contracting process

Purpose To obtain favorable treatment in the award of a WSSC Water contract

Restricted Communications

(Code Chapter 1.70.260)



During an open solicitation, bidders can't talk to WSSC representatives about:

Employment or Business Opportunities

- Can't promise employment or future business to anyone involved in the in the procurement

Gifts

- Can't offer, promise, or give any thing of value to anyone involved in the procurement

Proprietary / Source Selection Information

- Can't ask for or obtain inside information about the procurement before it is awarded

Restricted Communications (Cont.)

(Code Chapter 1.70.260)



Contractors can't:

Assist other parties

- If contracted to provide analysis or a recommendation to WSSC, without review by the Board of Ethics & written consent of the General Manager

Use Confidential Information

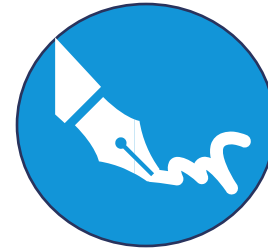
- In any way that is not expressly allowed in the contract or by the General Manager

Falsify Information

- Regarding any material fact, or conspire with someone else to do so

Restricted Participation

(Code Chapter 1.70.270)



If you employ an individual who assisted in drafting bid specifications, you may not:

- Submit a bid for that procurement
- Assist directly or indirectly, someone else who submits a bid for that procurement

Other Provisions

(Code Chapters I.70.280 - .300)



Consultants may need to complete a Conflicts of Interest affidavit

Once a solicitation is issued, WSSC representatives can only disclose:
1) decision status and 2) information available under the MPIA

WSSC must record information regarding outside inquiries about a solicitation after it has been issued

Contingent fees are generally prohibited, subject to limited exceptions

Administrative Remedies for Violations

(Code Chapter 1.70.310)



Disqualification
of bid

Suspension

Debarment

Setoff for value
of illegal gift

3x damages for
collusion

Recovery of
kickback
amount

Be Careful of...

- Bypassing the buyer in Procurement to talk about an active invitation for bid (IFB)
- Not having all bidders involved in discussions about open solicitations
- Contacting anyone outside of procurement to negotiate the contract

Tips for Contracting Ethically

DO

- Read and understand **Code of Ethics Art. IV**
- Remember that **Procurement is the primary contact for information / discussion once a solicitation is issued**
- **Maintain the integrity of the public bid process**

DON'T

- **Attempt to have someone you know personally at WSSC help you get a contract**
- **Try to gain inside information to help you win**
- **Use any WSSC proprietary information you learn as a contractor in the bidding process**
- **Send gifts, money, or favors to gain favorable treatment on a solicitation**