

Ethics and Threats in Public Procurement/Best Practices

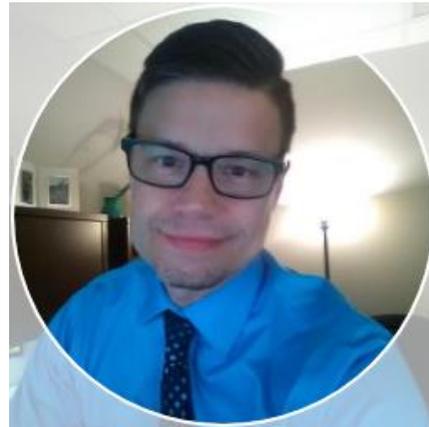
**2022 AASBO February Winter Conference
February 7, 2022**

**By: Gary Blount, NIGP-CPP CPPB and Barbara Bates, NIGP-CPP,
CPPB**

Introduction

About Me

- Assistant Director Cobb County School District
- Over 30 years of Public Procurement Experience
 - Certification – NIGP-CPP, CPPB



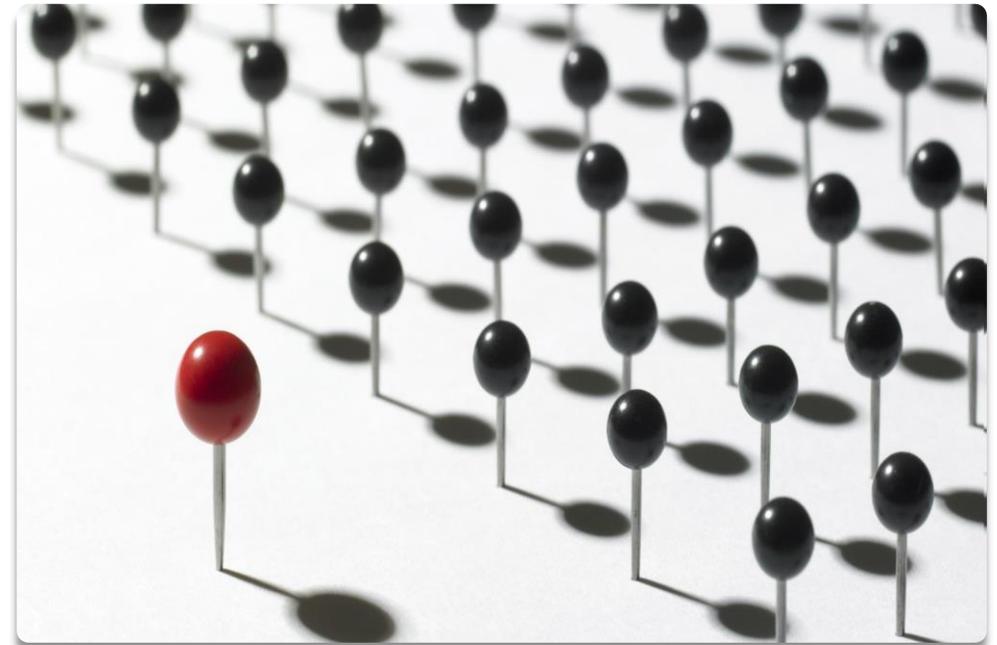


Perception is Key

Image retrieved from:
<https://www.chegg.com/learn/psychology/introduction-to-psychology/subjective-perception-in-introduction-to-psychology>

Agenda

- Ethics in public procurement
- Threats to public procurement
- Best Practices



Ethics

- 1. A principle of right or good conduct or a body of such principles.
- 2. A system of moral principles or values.
- 3. A code of conduct.
- 4. Prohibits breach of the public trust by any attempt to realize personal gain by a public employee through conduct inconsistent with the proper discharge of the employee's duties. Strong ethical principles are required for public procurement personnel and many professional bodies adhere to published codes of ethics.

Code of Ethics

- Principles, values, and standards designed for professionals to conduct business with integrity.

Source: NIGP Dictionary of Terms

- Personalize your code of ethics for your District/Entity.
- Publicly post them.

Code of Ethics: Example

- The Cobb County School District (CCSD) Procurement Services Department recognizes purchasing as a profession and adopts the Code of Ethics promulgated by the National Institute of Governmental Purchasing (NIGP).
- The CCSD Procurement Services Department recognizes that the Code of Ethics sets appropriate standards for purchasing and the CCSD Procurement Services Department expects adherence to the Code of Ethics by all employees of the Department.

Code of Ethics: Example

- The CCSD Procurement Services Department recognizes that employees of the Procurement Services Department are public employees. As such, these employees have the responsibility to uphold the public trust and to refrain from using their position for private benefit.
- Therefore, it is the policy of the CCSD Procurement Services Department that employees shall, in addition to all other expectations and job requirements, refrain from conflicts of interest and avoid the appearance of unethical or compromising practices in business relationships, actions and communications.

Ethics: Procurement's Role

- Maintains Control
- Guides the Process
- Ensures Transparency

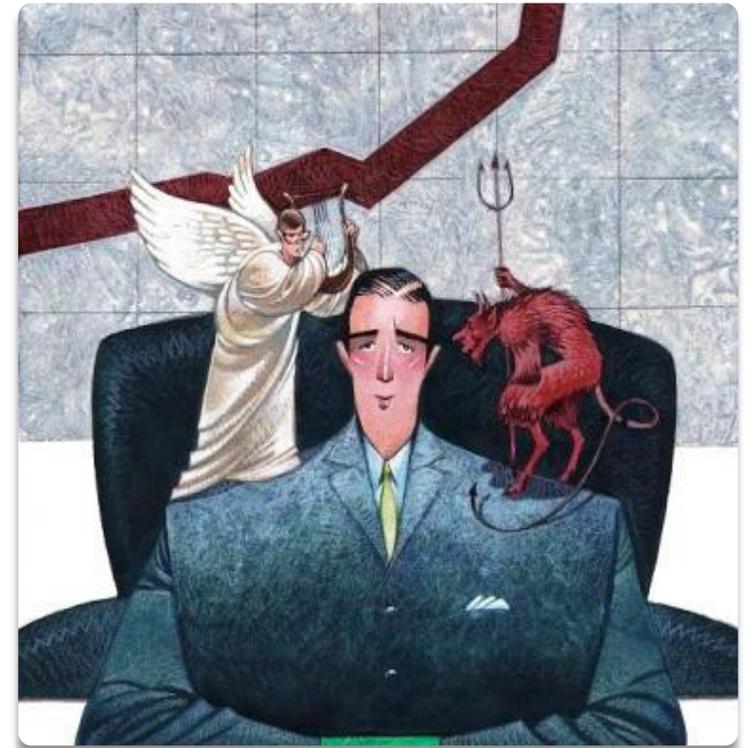
Ethics: Communication Challenges

- Internal – End Users, Committees
- External – Vendors, The Media, Constituents



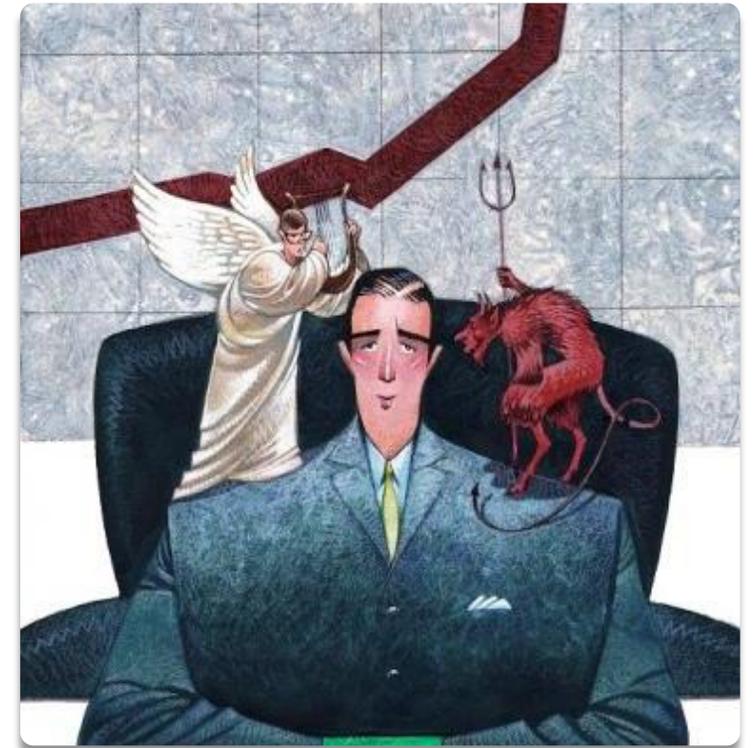
Ethics: What not to do....

- “Casual” Meetings
- Rush The Process
- Don't get too friendly with vendors.



Ethics: What not to do....

- If you have a personal relationship with a vendor:
 - Don't hide it – disclose it.
 - Remove yourself from the project, if possible.



Ethics: Conflict of Interest

- Written policy
- Decision are made independently
- Remove yourself from involvement



Lapse in Ethical Behavior

Ethics: Lapse in Ethical Behavior

- City of Atlanta's former Chief Procurement Officer
- Well respected individual, graduate from Morehouse College and Georgetown Law School (Barnes, 2017).
- More than \$40,000 in bribe payments (City of Atlanta's former Chief Procurement Officer Adam Smith sentenced to federal prison for taking bribes, 2018)
- Sentenced in Federal Court



Barnes, Mo. "Atlanta City Hall Raided by FBI in Corruption Scandal." Rolling Out, 22 Feb. 2017, <https://rollingout.com/2017/02/22/atlanta-city-hall-raided-fbi-corruption-scandal>

City of Atlanta's former Chief Procurement Officer Adam Smith sentenced to federal prison for taking bribes (2018, January 16) Retrieved from: <https://www.justice.gov/usao-ndga/pr/city-atlanta-s-former-chief-procurement-officer-adam-smith-sentenced-federal-prison>

Ethics: Laps in Ethical Behavior

- Floyd County School District
- “Mastermind” the District’s Maintenance Director (Staff, 2020)
- Ten individuals stole millions (Staff, 2020)
- Charged with violation of the Georgia RICO act and sentenced, along with paying restitution.



Ethics: Ethical Exercise

Mark is a plumber in the Maintenance Department of the local school district. He is offered two baseball tickets by his supervisor, which was given to him by an HVAC vendor, who happens have a contract with the district. Each ticket has a face value of \$25. What should Mark do?

- a. Go to the game and thank the vendor.
- b. Check the district policy on gifts from vendors.
- c. Refuse the tickets and advise his supervisor to return them.



Ethics: Ethical Exercise

Sally works in the front office at an elementary school and is also very active in her church. The copier at her church is broken, and the bulletins need to be produced. The pastor ask Sally if she could print the bulletins, by using the copier at her school. What should Sally do?

- a. Make the copies
- b. Ask her principal if it is ok to make the copies.
- c. Tell the church she can't make the copies.



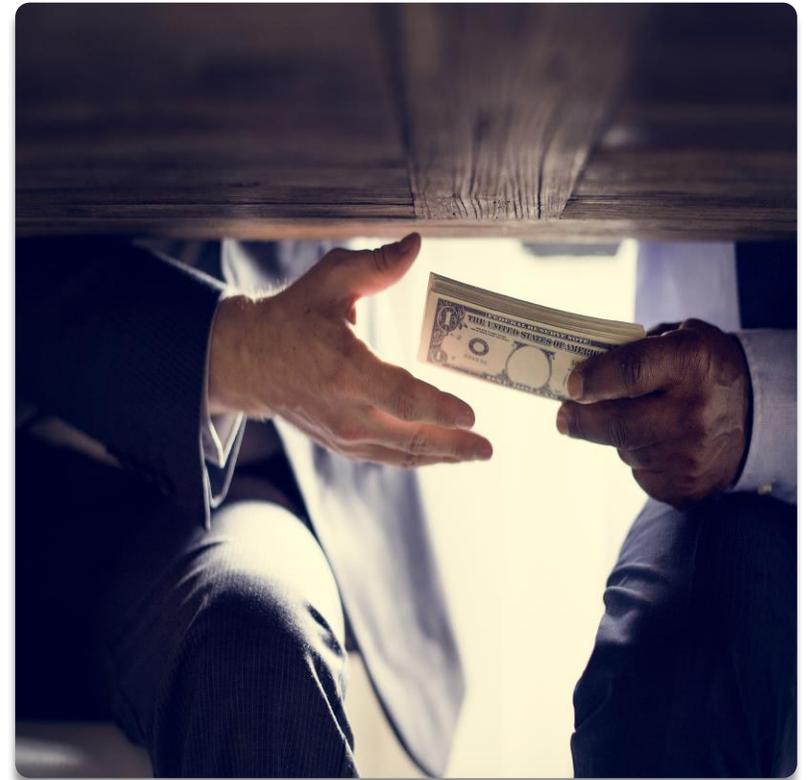
Ethics: Ethical Exercise

Norma is the Director of Procurement Services for a large school district. She is attending a monthly meeting moderated by State DOE. A local office supply vendor will be hosting the next month's meeting, which will take place at the vendor's facility. The vendor will be providing a tour and box lunch. Norma is planning on issuing a new RFP for office supplies, as she is experiencing issues with current vendor. The District policy does not forbid having lunch with vendors. What should Norma do?

- a. Skip the meeting and schedule a 1 on 1 meeting with the vendor.
- b. Attend the meeting but slip out before lunch is served
- c. Attend the meeting and accept the lunch.

Ethics: Gifts

- Does your District/Entity have a written policy?
- Spell out what can and cannot be accepted.
- Nominal vs. real value
- A good rule of thumb



Ethics: Things to Remember...

- Avoid any appearance of unethical vendor relationships, actions and communication¹.
- Avoid any type of business relationships with personal friends or family¹.
- Avoid improper displays of affection¹.
- Avoid having meetings with vendors outside of the office¹.

Threats to Public Procurement

Potential Threats

- Corruption
- Fraud
- Decentralized purchasing
- Improper vendor relations

Annual Review

- Standard Terms and Conditions
- Special Terms and Conditions
- Contracts
- Purchasing Regulations
- P-Card Policies and Procedures

Checks and Balances

- Separation of duties
- Code of ethics
- Documentation
- Proof Reading



What is Best Practice?

“A business process, activity, or operation that is considered outstanding, innovative, or exceptionally creative by a recognized peer group. It may be considered as a leading-edge activity that has been successfully adopted or implemented and has brought efficiency and effectiveness to an organization. It may result in improved productivity, quality, reduced costs, and increased customer service.”



Best Practices – Transparency

Post all solicitations and associated documents

INVITATIONS FOR BID (NON-CONSTRUCTION)

IFB# Name	Status Due Date / Time	Documents	Additional Information	Procurement Contact Updated
B2234 Kindergarten Furniture	Under Evaluation	Solicitation Attachment A		Jeanette Gray 12/01/2021
B2236 FNS Serving Line for Keheley Elementary School	Under Evaluation	Solicitation		Lori Franji 12/01/2021
B2239 Valcom Intercom System	Open 01/24/2022 3:00 PM	Solicitation Attachment A Q & A		Daphne Farley 01/18/2022

Best Practices – Transparency

Post all award and tabulation documents

Awarded IFBs, RFPs, RFQs

Jan. 24, 2022

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This is a list of contracts which have been awarded; if you want CURRENT solicitations, [click here](#).

BXXXX = Invitation for Bid; PXXXX = Request for Proposal; QXXXXXXXX = Request for Quote

Contract Name	Contract Number	Award Letter	Evaluation/Tab Sheet	Procurement Contact	Exp. Date	Cobb Market Place (Internal Use Only)
30 Ton Rooftop Unit - Still ES	Q2021038	Award Letter	Tabsheet	Lorri Latif	03/24/2022	
30 Ton Rooftop Unit - Timber Ridge ES	Q2021036	Award Letter	Tabsheet	Lorri Latif	03/24/2022	
3D Printers for CTAE	B2202	Award Letter	Tabsheet	Debbie Mosher	07/31/2022	✓
3D Printers for STEM	Q2022004	Award Letter	Tabsheet	Debbie Mosher	10/31/2022	✓
3D Printers for STEM-		Award		Debbie		

Best Practices – Procurement Awards



- The Achievement of Excellence in Procurement
- NIGP QPPD Accredited

Best Practices – Training

- Ongoing procurement staff professional development
- Customer training
- Vendor Training – How To Do Business



How to do Business with the Cobb County School District

Presented by:
CCSD Procurement Services Department
770-590-4524



Other Best Practices

- Procurement Automation
- Performance Measures
- Surveys – Customers and Vendors
- Written procedures in Place

Things to Keep in Mind

- Perception
- Integrity
- Fishbowl



Thank You

Contact Information:

Gary Blount, NIGP – CPP, CPPB, Assistant Director

Gary.Blount@cobbk12.org

Barbara Bates, NIGP – CPP, CPPB, Director

Barbara.Bates@cobbk12.org

**Cobb County School District
Procurement Services**