

Ethics in State Procurement

Annual Training Conference

September 11, 2014



Washington State Department of
Enterprise Services

Disclaimers

- Your agency has – or should have – its own “Ethics Advisor”
- Your agency may have its own ethics policy
- Not representing the Executive Ethics Board
- Every situation is unique
- Bottom line = *Don't Listen to Me*



Hypothetical #1

- Granted permission to use a state vehicle to attend conference
- Friday: pick up vehicle; drive home
- Saturday: pick up supplies from office in Olympia; shopping at Capital Mall.
- Sunday: leave for conference; drop children off at babysitter's house
- Thursday: conference ends; return to Olympia; drive home and keep the vehicle until Monday
- Over 660 unaccounted for miles



Hypothetical #1

- Good
 - Friday pick-up and driving home
 - Driving to and from conference
- Bad
 - No use for private benefit or gain
 - Cannot take kids in state car (SAAM 10.50.35)
 - “Working hours”



Hypothetical #2

- Frequent participation on evaluation panels
- Contractor providing all-day training at no cost (usually \$200)
- Networking event with hors d'oeuvres and light refreshments
- Attendees = only those who have attended and presented at the class



Hypothetical #2

- “Section 4 employee” status
 - “participates in . . . contractual matters”
- Good
 - Free attendance not a “gift”
 - Food and beverages not a “meal”
- Bad
 - Probably NOT a “hosted reception”



Hypothetical #3

- Managed a service contract
- Promoted to Administrator of the program
- New contract following competitive procurement with expected value over \$70,000
- Retirement after three years as program's Administrator
- Six months later, offer of employment



Hypothetical #3

- Good
 - Contract management more than 2 years prior to offer
 - Not involved with contract she used to manage
- Bad
 - Cannot fulfill or implement contract she worked on for one year
 - Contract value over \$10,000



Hypothetical #4

- Vendor unsuccessfully attempting to do business with a state agency
- Vendor reaches out to contract specialist serving as an RFP Coordinator
- Interest in meeting to discuss past submittals
- Another DORD employee with relationship with vendor tries to be included on the evaluation team
- Same employee intends to help vendor in the preparation of its response



Hypothetical #4

- Good
 - Free to meet with vendor for past submittals ONLY
- Bad
 - Section 4 employee; do NOT accept coffee
 - Should not be a member of evaluation team
 - Cannot assist in response preparation



Hypothetical #5

- Independent contractor recently finished a consulting engagement
- Consultant authors a new book
- Consultant wants to include a state employee quote



Hypothetical #5

- Good
 - Can provide something in support of the request for a quote
- Bad
 - Cannot use “state resources” to promote an outside entity
 - No “de minimus” use exception
 - Other exceptions do not appear to apply



Hypothetical #6

- Multi-million dollar procurement for large equipment in process
- State employees looking to purchase new vehicles
- Vendor offers a “screaming deal”
- Contract specialist buys new quad with vendor’s employee discount
- Evaluator declines, informs manager



Hypothetical #6

- Good
 - Declining to take the discount
 - Informing manager of unethical behavior
 - What other actions should be taken?
- Bad
 - Discount is a “gift”: not a broad-based discount
 - Obtaining discount from vendor



Thank you

Questions?

