

Purchasing Conduct and Ethics

(Policy MM0002)

I. Purpose/Scope of the Policy

The University is committed to maintaining high standards for performance based on fair, ethical, and professional business practices. This policy describes the conduct and ethics required of all University employees who participate in the purchasing cycle, including (A) authorization for purchases, (B) unauthorized purchases, (C) employee-vendor relationships, (D) conflict of interest, (E) personal purchases, (F) acceptances of gratuities by employees, (G) relationships with vendors, and (H) purchase by employees of excess/surplus University property.

II. Detailed Policy Statement

A. Violation of Policy

Employees who violate this policy may be subject to disciplinary actions.

B. Authorization

Purchases may only be made by employees who have received authorization in writing from an appropriate official.

C. Unauthorized Purchases

Employees shall not make purchases which they are not authorized to make. Employees who make unauthorized purchases may be subject to disciplinary action. See §III. **Definitions: Unauthorized Purchases.**

D. Employee-Vendor Relationship

Purchases, lease of goods, or contracts for services shall not be made from any employee or near relative who has an employee-vendor relationship unless there has been a specific determination by the Director of Materiel Management that the goods or services are not available either from commercial sources or from the University's own facilities. See **Policy MM0003: *Employee-Vendor Relationships and Conflict of Interest.***

E. Conflict Of Interest

No employee of the University shall make, participate in, or attempt to influence any decision if the employee knows or has reason to know that he/she has a financial interest in the outcome of that decision. See **Policy MM0003: *Employee-Vendor Relationships and Conflict of Interest.***

F. Personal Purchases

University employees shall not use University credit, purchasing power, and facilities to make purchases of goods or services for themselves or for non-University activities.

G. Gratuities

University employees and their near relatives shall refrain from accepting gifts, entertainment, favors or services from present or potential suppliers to the University that might influence, or appear to influence, purchasing decisions.

H. Vendor Relationships

In carrying out their purchasing responsibilities, University personnel shall:

- a. Know and observe fair, ethical, and legal trade practices and remain alert to the legal ramifications of purchasing decisions.
- b. Encourage competition through open, equitable and fair practices.
- c. Conduct business with potential and current suppliers openly, fairly, equitably, and in an atmosphere of good faith.
- d. Avoid restrictive specifications.
- e. Avoid the intent and appearance of unethical or compromising practices.
- f. Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.

I. Purchase By Employees Of Excess/Surplus University Property

1. No one employed in a Materiel Management department, or a near relative of such employee, may buy excess material directly from the University.
2. No one employed in a department originating excess material, or a near relative of such employee, may buy any excess material originating in that department directly from the University.
3. The principal driver of a University-owned motor vehicle, or near relative of such employee, may not buy such motor vehicle directly from the University.

III. Definitions

Unauthorized Purchases: a purchase for which (1) the individual has not been delegated the authority to make a purchase against the specified fund; (2) the individual has not been delegated the authority to make a purchase of a particular item; (3) the item to be purchased cannot be purchased against the specified fund; (4) there are insufficient funds to cover the expenditure; (5) the proper purchasing procedures have not been followed.

Near Relative: Spouse, child, parent, brother, sister, grandparent, grandchild, or in-laws and step-relatives in the same relationship.

IV. Getting Help

The campus Central Purchasing provides training and assistance to campus units (including help with completing forms, carrying out procedures, or interpreting policy).

If you need help with ...	Contact ...
...gratuities	Central Purchasing, x92311.
...vendors	Central Purchasing, x92311.
...unclear situations	Central Purchasing, x92311.

V. Applicability and Authority

This policy on Purchasing Conduct and Ethics applies to all campus purchasing activities.

It is a new policy and thus supersedes any campus practices in existence prior to its effective date..

The campus Director of Materiel Management is the campus authority for the *Purchasing Conduct and Ethics* policy. This policy was reviewed and approved by the Chancellor on May 7, 1997. Next review date is January 1999.

VI. Related Policies/References for More Information

Related Policies and Procedures

UCSC Policy MM0003: Employee-Vendor Relationships and Conflict of Interest

UC Policy and Guidelines Regarding Acceptance of Gifts and Gratuities by Employees under California's Political Reform Act

References

UC Business & Finance Bulletin BUS-43 - Materiel Management

Related Forms

Employee Vendor Conflict of Interest Evaluation Form