



## **"ETHICS IN PROCUREMENT**

**Just Doing it Right"**

**RULES ONLY APPLY  
TO OTHERS**



## **INTRODUCTION**



**Kimberly Bauer**  
**Purchasing Director**  
**[kbauer@norman.k12.ok.us](mailto:kbauer@norman.k12.ok.us)**



**ETHICS ARE DEVELOPED IN  
EARLY YEARS – THEY COME  
FROM MANY DIFFERENT  
SOURCES**



## OUR PARENTS –

- o The authority figures who established boundaries & punishments



## OUR ROLE MODELS –

- o Who do we view as “successful”? Who do we choose to emulate? Sometimes these can be peers and may include poor influences as well as positive role models.



## OUR FAITH –

- o Your religious views affect your choices. Maybe an inner voice guides you. Some call it their conscience.



## OUR ENVIRONMENT –

- o What works for us? What works for others? What can I (or they) get away with? What have I seen someone get away with? What brings me the most benefits (monetary, social position) for the least cost (punishment, ridicule, guilt)?



## OUR CHOICES –

- o What is most important to us? What do we value the most? Financial compensation? Clear conscience?



## DEFINITIONS OF ETHICS

- o A set of principles of right conduct.
- o A moral principle or set of moral values held by an individual or group
- o The rules or standards governing the conduct of a person or the members of a profession
- o A theory or a system of moral values
- o The study of the general nature of morals and of the specific moral choices to be made by a person; moral philosophy.

## THERE ARE SEVERAL DEFINITIONS OF ETHICS



**WHAT'S CRITICAL IS NOT HOW  
ETHICS ARE DEFINED IN A  
DICTIONARY, BUT HOW EACH OF  
US DEFINE ETHICS AS  
GUIDELINES FOR OUR DAILY  
BEHAVIOR.**

## **CONSIDER THIS -**

**67% of people surveyed believe there is no such thing as an absolute truth.**

**70% of people surveyed believe that ethical or moral absolutes are a matter of opinion.**

## **WHAT WOULD YOU DO?**

## **LEGAL VS. FAIR**

## **A QUICK WORD ABOUT NEGOTIATIONS**

**WHAT TO DO WHEN IT  
IS NOT UP TO YOU**

**GOOD ETHICS ARE ACCEPTED  
RULES OF BEHAVIOR THAT ARE  
USED REGARDLESS OF THE LAW**

**GOOD PROCUREMENT ETHICS  
ARE NOT JUST ABOUT  
FOLLOWING THE LAW**

**WHETHER A BUSINESS IS PUBLIC OR  
PRIVATE, YOU CANNOT PROPERLY  
PURCHASE WITHOUT GOOD ETHICS**

**GOOD ETHICAL PRACTICES  
BEGIN BY KNOWING THE RULES  
AND FOLLOWING THEM**

- o Most poor procurement issues do not point to poor ethics as much as poor information, or poor practices and procedures

**EDUCATION IS KEY**

**THERE ARE DIFFERENT REASONS  
FOR PEOPLE DISPLAYING GOOD  
ETHICAL BEHAVIOR:**

- o Family circumstances – money, illness
- o Addiction – drugs, gambling
- o Unwillingness to turn in a co-worker
- o Fear of being caught - consequences

**MOST PEOPLE WILL DO THE  
RIGHT THING IF THEY KNEW THE  
LAWS, STATUTES AND POLICIES  
THAT GOVERN THEM**

**CHECK THE NIGP WEBSITE FOR  
WEBINARS AND DISCUSSION  
GROUPS. CHECK OTHER  
RESOURCES TO SEE IF CLASSES  
ARE AVAILABLE TO YOU.  
IF THERE ARE NOT ANY, WORK  
WITH SOMEONE TO ESTABLISH  
CLASSES FOR YOUR AREA**

**KNOW YOUR STATE  
STATUTES**

**A BRIEF DISCUSSION OF THE  
RULES AND RESOURCES**

**Know Your Board Policy**

**KNOW FEDERAL LAW**

## RESOURCES FOR LAWS

- The internet is always an excellent resource for looking up governing laws and statutes. Check the NIGP website. Attend the conferences, participate in the webinars and get to know other procurement professionals. NIGP has an awesome network of professionals who are eager to mentor and assist you.

## BE CONSISTENT!

- Set the procedures and stick to them

## FOLLOW THE LAW

- Bad planning is not a good excuse for breaking the law

## BEWARE OF REWARDS PROGRAMS, REBATES AND GIFT CARDS

- Must be for educational purposes only
  - Define what can be purchased
- Create a policy for use
  - Get Receipts
- Create procedures
  - Who keeps track of them
  - Who can use them
  - Receiving procedures
- Avoid Rewards Programs – Including Travel Programs



**DO NOT BECOME TEMPTED TO  
TAKE SHORT CUTS**

**CHECK YOUR BOARD OF  
EDUCATION POLICY FOR ITEMS  
THAT ARE EXEMPT FROM BIDDING  
OR QUOTES**

**NEVER ALLOW ANYONE TO  
MAKE A SPLIT PURCHASE**

- The definition of a split purchase is when quantities are broken into smaller groups to avoid the quote or bid process

**USE A SOLE SOURCE OR CREATE  
STANDARDIZATION.**

- Sole source and standardization can be done as long as the purchase falls within the appropriate guidelines. The vendor must either be the manufacturer or the only approved source from the manufacturer.
- Standardization should be established by an action from your Board of Education and can only be purchased through the manufacturer or the only approved source.
- Dell computers and Apple iPads are an example of both sole source and standardization.
- Sole Source can also be used based on compatibility with existing equipment and/or competition attempted.

## USE STATEWIDE OR GOVERNMENT CONTRACTS

- For information on and a list of what statewide contracts are available, check your state's official website. There should be a link to the state's Procurement page within that website.

**ALWAYS read the terms and conditions of the contract to make sure they work for you. Once you have signed to "piggy back" you are signing that you agree with and will abide by those terms. You never want to agree to, or ask your Board to agree to, terms you have not read.**

## KNOW THE PURPOSE OF EACH FUND AND THE RESTRICTIONS FOR THOSE FUNDS.

- General
- Bond
- Federal
- Activity

## CHECK FOR OTHER CONTRACT OPTIONS AVAILABLE TO YOU

- Go to [www.nigp.org/supplierdirectory](http://www.nigp.org/supplierdirectory)
- Check out [www.govpro.com](http://www.govpro.com)
- E & I (Educational and Institutional Cooperative)
- City, State or Local contracts
- Create Contracts with other schools
- Create your own contract

## KNOW WHAT IS ACCEPTABLE AND ETHICAL IN PROCUREMENT

## DO'S AND DON'TS

## DEVELOP AN APPROVED VENDOR LIST

- Organize by category
- Create a section for vendors on established contracts
- Create a section for vendor quality ratings
- Document bad experiences or unethical behavior
- Share your list with others in your organization

## PERCEPTION IS IMPORTANT

- You are a public official
- Someone is always watching
- Everyone has a cell phone with a camera
- Beware of social media sites
- Don't do anything you don't want to defend in the paper the next day.

## REQUIRE A W9 FORM

- The TIN Matching Program can be found at [www.irs.gov/Tax-Professionals/e-services---Online-Tools-for-Tax-Professionals](http://www.irs.gov/Tax-Professionals/e-services---Online-Tools-for-Tax-Professionals).
- Registration is the first step in gaining access to the products in e-Services.

**DON'T SIGN CREDIT APPS**

**CREATE STRICT GUIDELINES WHEN  
BUYING FROM LOCAL SUPPLIERS**

**DON'T LET YOUR FRIENDLY  
RELATIONSHIP WITH A SUPPLIER  
CROSS THE LINE**

**NEVER DISCUSS A QUOTE OR  
UNSEALED BID**

**NEVER MANIPULATE QUOTES  
RECEIVED**

**DO NOT ALLOW UNEQUAL  
ACCESS TO VENDORS**

**NEVER MAKE VERBAL OR  
WRITTEN PROMISES TO A  
VENDOR UNTIL YOU HAVE  
FULFILLED YOUR QUOTE OR BID  
REQUIREMENTS**

**DO NOT ALLOW CONTACT  
BETWEEN VENDOR AND SCHOOL  
PERSONNEL**

**DON'T GIVE EARLY  
INFORMATION TO ANY VENDOR**

**TRY NOT TO USE A SINGLE  
VENDOR TO HELP YOU BUILD  
SPECIFICATIONS FOR A BID**

**DO EVERYTHING IN WRITING**

**AVOID THE USE OF BRAND NAMES  
OR MODELS**

**KNOW YOUR SOURCES**

**DON'T MANIPULATE INFORMATION  
THAT WILL BE TAKEN TO YOUR  
BOARD**

**BE FULLY TRANSPARENT ABOUT  
YOUR SOURCES**

**DON'T GIVE AWAY OR SURPLUS  
ITEMS**

**ITEMS GIVEN TO A TEACHER OR  
AN ADMINISTRATOR BY A  
SUPPLIER, PTA, GRANT OR  
BOOSTER BECOMES DISTRICT  
PROPERTY**

**IF YOU HAVE TO STOP TO QUESTION  
IF AN ACTION OR A STATEMENT IS  
UNETHICAL,  
IT PROBABLY IS!**

**DON'T ASSUME THAT  
OTHERS HAVE THE SAME  
ETHICS**

**NO ONE'S PERFECT**



**EMOTIONS AND PERSONAL  
FEELINGS HAVE NO PLACE IN  
BUSINESS DECISIONS**

**QUESTIONS/COMMENTS**

**ALWAYS KEEP YOUR  
COMPASS POINTING NORTH!**

#### **REFERENCES**

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- Oklahoma State Statute – Schools 70 O.S. §5-123
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