

Pursuing Ethical Procurement

News making headlines

“No-bid, \$600K ferry deal never should have happened”



Learning objectives

- Ethics and values
- Barriers
- Procurement reform



Ethics

The principles which define behavior as right, good, and appropriate.



Ethics Policy

- Clearly defined
- One central source
- Signed disclosures
- Leadership reinforcement



When was the
last time your
ethics policy was
evaluated and
updated?

When was the
last time your
agency
provided an
ethics training?

Ethics and Change

- Public transparency expectations
- Rapid changes in technology

Headline: “Staffer Asked ChatGPT to Exclude Vendor from City Contract”



NIGP Code of Ethics

- Believes that members of the Institute and its staff should at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.
- Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
- Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically, without discrimination.

Types of Unethical Behaviors in Procurement

Conflict of Interest

- Avoid the appearance of impropriety
- Separate personal business from official relationships
- Safeguard the procurement process



Misconduct with Suppliers

- Showing favoritism
- Lack of confidentiality
- Requesting donated goods or services
- Lack of fair selection criteria
- Unequal treatment



Corruption

- Bribery
- Extortion or solicitation
- Influence peddling
- Money laundering
- Nepotism



Gifts of Hospitality

- Personal or professional gifts
- Nominal value



Ensure Compliance as a Leader

- Balance competing pressures
- Focus on high risk
- Understand operations
- Offer guidance and support when improvement is necessary



Barriers

Barriers

- Culture of can't
- Slow processes
- Regulatory environments



Procurement Reform in Leadership

Create a Culture of Collaboration

- Assume positive intent
- Communicate like a partner
- Invite input early
- Close the loop



Knowledge Sharing

- Know the rules
- Exercise professional judgement
- Explain the why
- Teach the rationale



Streamline Procurement Systems

- Friction that invites shortcuts
 - Unnecessary approvals
 - Unclear steps
 - Little to no training
 - Outdated or cumbersome software



Streamline Procurement Systems

- Use technology for capacity building
- Apply more scrutiny to higher-risk purchases
- Move routine low-risk buys faster
- Make the right way predictable



Evaluate Procurement Rules and Policies

Questions to ask when evaluating:

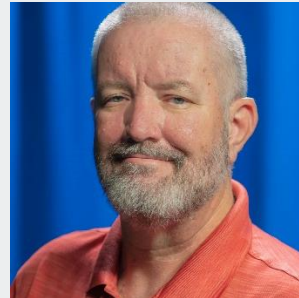
1. What is the barrier?
2. Who can change it?
3. What evidence do we need?
4. What is the path and timeline?



Final thoughts and Q&A



Thank you!



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Resources

- crpe.org/publications/blueprint-effective-and-adaptable-school-district-procurement
- crpe.org/search/site/Procurement?fq%5B0%5D=bundle%3Apublication
- crpe.org/publications/blueprint-effective-and-adaptable-school-district-procurement
- planergy.com/blog/problems-in-education-procurement/
- naepnet.org/page/CodeOfEthics
- cu.edu/psc/procurement-code-ethics
- renniecenter.org/sites/default/files/2017-01/SmartSchoolBudgeting.pdf
- justice.gov/usao-dc/pr/former-federal-government-contract-officer-sentenced-prison-accepting-bribes