

| | |
|--|-------------------|
| Regulations of the University of North Texas System | Chapter 08 |
| 08.16000 Transparency and Avoidance of Conflicts of Interest in Contracting and Procurement of Goods and Services | Fiscal Management |

08.16001 **Regulation Statement.** Officers and employees of the System and the Institutions serve the public trust and are required to fulfill their professional responsibilities with the utmost care and loyalty. In fulfillment of their duties, officers and employees are expected to act with integrity, applying their time and effort appropriately and using resources in support of the best interests of the System and Institutions. Key officers and employees have a duty to disclose financial interests that would prohibit the System or Institutions from contracting or procuring goods and services due to an inherent conflict of interest. Officers and employees involved in procurement or contract management have a duty to disclose potential conflicts of interest when the use of institutional time or resources might result in an undue personal advantage. This regulation establishes procedures to maintain transparency in contracting and procurement of goods and services for the System and Institutions, and to ensure that financial interests and potential conflicts of interest are appropriately disclosed and addressed as part of the contracting and procurement process.

08.16002 **Application of Regulation.** UNT System Administration and Institutions

08.16003 **Definitions.**

1. **Business Support Services.** “Business Support Services” or “BSS” means the department in the Finance Division that provides procurement and administrative support for the University of North Texas System.
2. **Chief Procurement Officer.** “Chief Procurement Officer” means the Vice Chancellor for Finance.
3. **Contract Management Handbook.** “Contract Management Handbook” means the document developed by the UNT System Office of General Counsel and Vice Chancellor for Finance that provides detailed information regarding the requirements for contracts involving the System and Institutions. The Contract Management Handbook is available on the Office of General Counsel and the BSS website.
4. **Family Member.** “Family Member” means anyone related to a Key Officer or Employee or an Officer or Employee Involved in Procurement or Contract

Management within the second degree of consanguinity (related by blood) or affinity (related by marriage). Second degree of consanguinity includes a parent, child, sibling, grandparent, or grandchild. Second degree of affinity includes a spouse, stepparent, stepchild, or spouse of a person within the second degree of consanguinity. It also includes anyone related to the board member's, officer's or employee's spouse by the second degree of consanguinity. A chart regarding affinity and consanguinity is posted on the BSS website for reference.

5. Financial Interest. "Financial Interest" means an interest—other than a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation—where the officer or employee or officer's or employee's Family Member:
 - a. Owns or controls, directly or indirectly, an ownership interest of at least one percent, including the right to share in profits, proceeds, or capital gains, in an entity that provides goods or services; or
 - b. Could reasonably foresee that a contract with an entity that provides goods or services could result in financial benefit to the officer or employee or the officer's or employee's Family Member.
6. Key Officers and Employees. "Key Officers and Employees" mean the Chancellor, the Presidents, the General Counsel, the Chief Procurement Officer, and the Procurement Directors.
7. LBB. "LBB" means the Texas Legislative Budget Board.
8. Officers and Employees involved in Procurement or Contract Management. "Officers and employees involved in procurement or contract management" means:
 - a. BSS buyers and senior buyers;
 - b. Purchasing card users;
 - c. Officers or employees of the System or a component institution authorized to request the approval of a contract for the purchase of goods and services from the BSS;
 - d. Officers or employees authorized to sign contracts involving the purchase of goods or services; and
 - e. An officer or employee of the System or an Institution who requests approval of a purchasing card transaction, bid or contract for the purchase of goods or services from a person in category a, b, c, or d of this definition.
7. Potential Conflict of interest. A "Potential Conflict of interest" exists when an

officer or employee involved in procurement or contract management or a family member of the officer or employee has a financial interest in a private vendor that is a party to a purchasing card transaction, contract or bid for a purchase of goods or services involving the System or an Institution.

8. Procurement Director(s). For the purposes of this Regulation, “Procurement Director(s)” mean the Associate Vice Chancellor for Finance, the Senior Director of Procurement Services and the Director of Purchasing.
9. Procurement Guide. “Procurement Guide” means the document developed by the BSS that provides detailed information regarding contracting and procurement of goods and services for the System and the Institutions. The Procurement Guide is available on the BSS website.

08.16004 **Procedures and Responsibilities.**

1. In contracting and procurement of goods and services for the System and the Institutions, employees of the System and the Institutions must act in accordance with the best interests of the System and the Institutions and are required to comply with the requirements and procedures set out in the Contract Management Handbook and the Procurement Guide. Employees are obligated to cooperate with the BSS in the approval process for contracts and procurement of goods and services.

Responsible Party: All Employees

2. Key Officers and Employees have an obligation to disclose Financial Interests on a disclosure statement form developed by the BSS. The Conflict of Interest Disclosure Statement of Key Officers and Employees form is available on the BSS website. This is a continuing obligation and key officers and employees must submit a new or amended statement when there is a change in information previously reported or there is new information to report. Completed disclosure forms shall be submitted at conflictdisclosures@untsystem.edu.

Responsible Party: Key Officers and Employees

3. Employees involved in procurement or contract management have an obligation to disclose potential conflicts of interest with respect to contracts or bids for the purchase of goods or services from a private vendor by the System or an Institution. When a potential conflict of interest exists, officers and employees involved in procurement or contract management are required to complete the conflict of interest disclosure form developed by

the BSS and submit it with the ePro requisition or with submission of the contract. If the potential conflict of interest is related to a purchasing card transaction or the execution of a contract or some other situation that does not involve an ePro requisition or submission of a contract to the BSS, then the officer or employee should submit the form to the BSS at conflictdisclosures@untsystem.edu. The Conflict of Interest Disclosure Form for Officers and Employees Involved in Procurement or Contract Management is available on the BSS website. Officers and employees involved in procurement or contract management that have a potential conflict of interest cannot move forward with the purchasing card transaction, processing of a bid or contract, the bid award, or execution of a contract until notified in writing by the BSS that the potential conflict of interest has been considered and addressed by the Chief Procurement Officer or his/her designee. If a potential conflict of interest arises during the term of a contract with a private vendor, officers and employees involved in procurement or contract management are required to provide notification through the submission of the disclosure form to the BSS at conflictdisclosures@untsystem.edu.

Responsible Party: Employees involved in procurement and contract management; Chief Procurement Officer or designee

4. Business Support Services will maintain conflict of interest disclosure statements that it receives in accordance with the Texas Record Retention Act and applicable regulations and policies of the System and Institutions and will use the information received to ensure that the System and Institutions do not enter into contracts prohibited by law or by an impermissible conflict of interest as determined by the Chief Procurement Officer or designee.

Responsible Party: Business Support Services; Senior Director for Procurement Services

5. For each contract for the purchase of goods or services from a private vendor by the System or an Institution, the BSS shall post on its website:
 - a. Each contract entered into, until the contract expires or is completed;
 - b. The authority that allows the contract to be exempt from the competitive bid process, if applicable; and
 - c. The request for proposals related to the contract, if competitively bid.
 - d. This posting requirement does not include contracts posted on the major contracts database of the LBB or contracts valued at less than \$15,000 that are paid for with non-appropriated funds. Postings may be monthly for contracts less than \$15,000.

In the posting of a contract, the following information shall be redacted:

- a. Information that is confidential under law;
- b. Information the attorney general determines is exempted from public disclosure;
- c. The social security number of any individual.

Responsible Party: Business Support Services; Senior Director for Procurement Services

6. All contracts for the purchase of goods or services above \$25,000 shall be assessed and categorized by the Senior Director for Procurement Services or designee as directed by the Chief Procurement Officer or designee. The Senior Director for Procurement Services shall inform the Director of Purchasing and the Chief Procurement Officer or his/her designee of any contract that is identified as requiring enhanced contract or performance monitoring or any serious risk or issue with respect to a monitored contract. Contracts identified as requiring enhanced contract or performance monitoring shall be reported to the Board of Regents by the Chief Procurement Officer or designee. The Chief Procurement Officer shall immediately notify the Vice Chancellor and General Counsel, the Chancellor and the Chair of the Board of Regents of any serious risk or issue that is identified with respect to a monitored contract.

Responsible Party: Senior Director for Procurement Services; Director of Purchasing; Chief Procurement Officer

7. For each contract for the purchase of goods or services that has a value exceeding \$1 million, the BSS shall develop and implement contract reporting requirements regarding the following information and verifications:
 - a. Compliance with financial provisions and delivery schedules under the contract;
 - b. Corrective action plans required under the contract and the status of any active corrective action plan;
 - c. Any liquidated damages assessed or collected under the contract;
 - d. Verification of the accuracy of any of the above information that is provided by a contractor; and
 - e. Verification of the delivery time of goods or services scheduled for delivery under the contract.

Responsible Party: BSS; Senior Director for Procurement Services; Director of

Purchasing; Chief Procurement Officer or designee

8. For contracts for the purchase of goods or services that have a value exceeding \$5 million, the Senior Director for Procurement Services must:
 - a. Verify in writing that the solicitation and purchasing methods and contractor selection process comply with state law and applicable policies of the System and Institutions; and
 - b. Notify the Director of Purchasing and the Chief Procurement Officer or designee of any potential issue that may arise in the solicitation, purchasing, or contractor selection process and the Chief Procurement Officer or designee shall notify the Chancellor and the Board of Regents of any unresolved issue.

Responsible Party: Senior Director for Procurement Services; Director of Purchasing; Chief Procurement Officer or designee

9. The BSS shall provide notice to the LBB of contracts for the purchase of goods and services by the System or an Institution if the expected amount of the contract or purchase exceeds or may reasonably be expected to exceed either (a) \$10 million, or (b) \$1 million when awarded (i) as the result of an emergency or following an emergency procedure allowed by statute, or (ii) without issuing a request for proposal, request for bid, or other similar process common to participation in the competitive bidding processes required by statute, rule, or ordinary and commonly recognized state policies and procedures. The notice to the LBB shall be made by the Chancellor for the System and the Presidents for the Institutions, or their designee(s), and shall be on a form prepared by the BSS that conforms with requirements and certifications established by law and by the LBB. Until this notice requirement is met, appropriated funds may not be expended to make payment on the contract or purchase.

Responsible Party: BSS; Senior Director for Procurement Services; Director of Purchasing; Chief Procurement Officer or designee; Presidents; Chancellor

References and Cross-references.

Texas Government Code, Chapter 2261

Regents Rule 03.900

Regents Rule 05.700

Rider 7.12, page IX-38-40, Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015 (the General Appropriations Act)

Forms and Tools.

Conflict of Interest Disclosure Form for Officers and Employees involved in Procurement or Contract Management

Conflict of Interest Disclosure Statement of Key Officers and Employees

UNT System Contract Management Handbook

UNT System Procurement Guide

[Relationships by Consanguinity or Affinity Charts for Potential Conflicts of Interest](#)

Approved: October 4, 2017

Effective: October 4, 2017

Revised: