

Texas Woman's University University Regulation and Procedure

**Regulation and Procedure Name: Conflicts of Interest Relating to
Purchasing, Payments, and Contracts**

**Regulation and Procedure
Number: URP: 04.350**

Policy Owner: Finance and Administration

POLICY STATEMENT

The purpose of this policy is to define conflicts of interest with respect to the conduct of employees and payments, purchases, or contracts by Texas Woman's University ("TWU" or "University") in compliance with Texas Government Code Section 572.

APPLICABILITY

This policy is applicable to TWU Employees and University Affiliates.

DEFINITIONS

1. "Benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any person in whose welfare a TWU employee has an interest as under state laws.
2. "Conflict of interest" means a situation in which there is a divergence between the employee's private interests and the employee's professional obligations to TWU such that an independent observer might reasonably question whether the employee's actions or decisions are determined by considerations of private gain, financial or otherwise.
3. "Dual Employment" means an activity performed by a TWU employee for another governmental entity or a public institution of higher education in the State of Texas for remuneration.
4. "Employee" means an individual who is employed part-time, full-time, or in a temporary capacity as faculty, staff, or who is required to be a student as a condition of employment, undergraduate or graduate.
5. "Outside Employment" means an activity performed by a TWU employee for another organization or individual (excluding dual employment) for remuneration, other than work counted in a faculty member's workload or

work necessary to fulfill a staff member's employment responsibilities to TWU.

6. "University Affiliate" means any individual associated with TWU in a capacity other than as a Student or Employee who has access to TWU resources through a contractual arrangement or other association. This includes the following individuals:
 - a. Contractors and Vendors: an individual, business, or governmental entity that has a fully executed contract to provide goods or services to TWU. This includes employees of contractors or vendors and independent contractors.
 - b. Employee of a Governmental Agency: an individual employed by a federal or Texas state agency.
 - c. Employee of a TWU-Affiliated Institution: an individual who works for organizations that are tightly aligned with the University.
 - d. Pre-Employment Individual: an individual who will be hired by the University and the hiring department has sponsored their access to TWU resources.
 - e. Other University Affiliate: any individual who does not fit into any other category and needs access to TWU resources.

REGULATION AND PROCEDURE

I. General Rule

- A. TWU employees may not have direct or indirect interests, including financial and other interests, engage in business transactions or professional activities, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the employee's duties.
 1. TWU employees may not engage in any purchasing, payables, or contracting function in which such employee has any delegated authority to conduct or approve the transaction. Any potential conflict of interest must be disclosed to the Chief Procurement Officer and be resolved prior to any obligation being made per Texas Government Code 2261.252.
- B. This policy does not prohibit the use of employee-authored textbooks or other intellectual property in an employee's courses.

II. Conflicts of Interest

A. Benefits and Gifts

1. An employee shall not receive, attempt to receive, nor intend to receive at any time any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service from any vendor in connection with any bid, proposal, qualifications request, purchase, payment, or contract.
2. An employee shall not make personal investments that could reasonably be expected to impair the employee's independence of judgment in the performance of the employee's job duties.
3. If an employee is involved in procurement activities with a vendor in which there is a relationship, the employee must disclose the following to Procurement and Contract Services ("PCS"):
 - a. A description and the range of compensation or interest by the individual or the individual's immediate family members, regardless of amount, in an entity that enters into any agreements or contracts with TWU; or
 - b. A description of gifts over two hundred and fifty dollars (\$250) to the individual or the individual's immediate family members if the gift reasonably appears to create a conflict of interest.

B. Dual or Outside Employment

1. An employee must report any dual or outside employment arrangement using the TWU Dual or Outside Employment form, per URP 01.210: Ethics Policy for Employees.
2. An employee may not be in any dual or outside employment positions that would result in a conflict of interest in relation to their position at TWU, including participation in any payment, purchase, or contract on behalf of TWU. If such circumstance arises, the employee shall remove themselves from the process and disclose the relationship to their direct supervisor and to the Chief Procurement Officer.
3. A TWU department may not hire a vendor under the following circumstances:
 - a. A current employee of the department is also employed by such vendor;

- b. A current employee of the department or their spouse, children, or parents have a direct or indirect ownership interest in such vendor;
 - c. A current employee serves on the board of directors or other governing board of the vendor or serves as an elected officer of the vendor; or
 - d. The hiring of such vendor would result in the furtherance of any private interest or gain for a current employee of the department.
4. If the owner of any such vendor who provides goods or services to TWU is a TWU employee, compliant payment to any vendor classified as a sole proprietorship or an individual shall be made through Payroll Services.

C. Transactions with Other Individuals or Entities

- 1. An employee shall not conduct any transaction with other individuals or entities in which the employee is related by blood or marriage to such individual or any owner or employee of such entity. If such circumstance arises, the employee shall remove themselves from the process and disclose the relationship to the Chief Procurement Officer.
- 2. A TWU department may not hire a vendor under the following circumstances:
 - a. A current employee of the department is related to an employee of the vendor and the employee of the vendor would receive a financial benefit resulting from the transaction;
 - b. A current employee of the department, or their spouse, children, or parents are related to a person who has direct or indirect ownership interest in the vendor; or
 - c. The hiring of such vendor would result in the furtherance of any private interest or gain for a current employee of the department.
- 3. An employee shall not make any unauthorized commitments or promises of any kind purporting to bind TWU for any goods or services without an authorized purchase order and contract.
- 4. A TWU employee shall act impartially and not give preferential treatment to any private or public organization or individual.

III. Procedure for Disclosures

A. Required Disclosures for TWU Employees

1. PCS manages the purchasing disclosure process for all TWU employees.
2. An employee must file timely written disclosure statements as required by law, rule, or policy. An employee's position with TWU, relationships with other employees, and contemplated activity may determine which disclosure statements, if any, are required. Examples include, but are not limited to, the following:
 - a. If an employee is in a position to make decisions or exercise significant discretion over whether the University enters into a contract or agreement, they must complete the Non-Disclosure and Conflict of Interest Certification Form.
 - b. For procurements with an expected value of \$1 million or more, the State Auditor's Office Nepotism Disclosure Statement of Purchasing Personnel must be completed. Any actual or potential conflicts of interest must be reported promptly to the Office of General Counsel.

B. Additional Disclosures for Procurement and Contract Services Staff

1. In addition to the rules for employees, PCS staff shall also follow the following procedures:
 - a. PCS staff shall disclose annually any relations they may have that would cause a conflict of interest in performing their duties. If such conflict exists, the staff member shall remove themselves from any procurement in which there might be a conflict. Staff members shall at all times keep their supervisors notified of any conflicts and any changes in the status of a conflict.
 - b. PCS staff must disclose any confidential information in which there would be a private interest or personal gain.
 - c. PCS staff must receive training within the first two (2) weeks of their hire date as well as ongoing ad hoc training sessions as needed.
2. PCS staff may not authorize any purchase order, contract, or payment with any vendor in which there would be a private interest or personal gain.

C. Consequences for Violations

Failure to comply may be grounds for disciplinary action by TWU, including termination of employment. Additionally, civil and criminal penalties may apply under certain circumstances.

IV. Procedure for Vendors and the Bidder or Proposer Affirmation

A. Vendors shall be required to sign the Bidder or Proposer Affirmation ("Affirmation") when submitting any procurement response to TWU. The Affirmation requires prospective vendors to affirm their compliance with state laws, federal laws, and TWU policies, as applicable. The Affirmation becomes part of any solicitation and becomes part of the binding terms and conditions on any resulting contract or purchase order. Any misrepresentation or false statement that is deemed material by TWU is a breach of contract, which shall void or make voidable any solicitation, or resulting contract or purchase order.

B. Vendors shall be required to affirm the terms of the Affirmation in order to remain in compliance with all items throughout the duration of the contract or purchase order. In instances where the term "bidder or proposer" is used, that term shall also refer to the vendor once a successful purchase order or contract has been established.

C. Terms of the Affirmation

1. The bidder or proposer has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to an employee in connection with the submitted bid, proposal, or any resulting contract or purchase order.
2. Under state law, the bidder or proposer has not received compensation for participation in the preparation of the specifications for this solicitation.
3. Under state law, the bidder or proposer certifies that the individual or business entity named in such bid, proposal, or contract is not ineligible to receive the specified contract and acknowledges that the contract may be terminated and payment withheld if this certification is inaccurate.
4. By submitting a bid or proposal, the bidder or proposer is certifying that neither the owners nor any employees are in dual employment positions as a TWU employee. In addition, the bidder or proposer is certifying that the owner and any employee are not related in any manner with any TWU employee. If such relations exist, then that relationship shall be disclosed during the bid or

proposal process to PCS. If the status of any owner or employee of the bidding or proposing company changes during the course of the contract or purchase order, then that relationship shall be disclosed immediately to the Chief Procurement Officer. Any violation of this policy shall result in immediate cancellation of any resulting contract or purchase order in addition to a potential disbarment of the company from doing business with the State of Texas.

5. By submitting a bid or proposal, the bidder or proposer is certifying that neither the owner nor any employee is related in any manner with any member of the Board of Regents or any legislative representative of the district in which TWU is located. If the status of any owner or employee of the bidding or proposing company changes during the course of the contract or purchase order, then that relationship shall be disclosed immediately to the Chief Procurement Officer. Any violation of this policy shall result in immediate cancellation of any resulting contract or purchase order in addition to a potential disbarment of the company from doing business with the State of Texas.

REVIEW

This policy will remain in effect and published until it is reviewed, updated, or archived. This policy is to be reviewed once every six years. Interim review may be required as a result of updates to federal and state law or regulations, Board of Regents policies, or internal processes or procedures.

REFERENCES

[Texas Government Code Chapter 572](#)

[Texas Government Code 2261.252](#)

[Texas Government Code 2155.004](#)

[URP 01.210: Ethics Policy for Employees](#)

FORMS AND TOOLS

[TWU Dual or Outside Employment Form](#)

[SAO Nepotism Disclosure Statement of Purchasing Personnel](#)

[Non-Disclosure and Conflict of Interest Certification](#)

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