

ADMINISTRATIVE PRACTICE LETTER

SUBJECT: PROCUREMENT STANDARDS OF CONDUCT

GENERAL

Federal Office of Management and Budget (OMB) Circular A-110 <http://www.whitehouse.gov/omb/circulars/a110/a110.html> requires recipients of federal funds to establish procedures for the procurement of supplies, equipment, construction and other services. The following University of Maine System (UMS) standards of conduct are furnished to ensure that all materials and services, regardless of the source of funding, are obtained in a cost effective manner and in compliance with the applicable federal and state laws, executive orders, and generally accepted procurement standards. They do not relieve any campus or employee of their own contractual responsibilities arising under individual contracts. The University of Maine System Treasurer is the responsible authority, prior to recourse to the federal sponsoring agency regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into, for federal grants and all other agreements. This includes disputes, claims, protests of award, source evaluation or other matters of a legal nature. Unresolved matters concerning violation of law may be referred to such local, state or federal authority as may have proper jurisdiction after consultation with University Counsel.

MONITORING

Campus Presidents should insure that campus employees directly or indirectly responsible for procurement are made aware of, and comply with, these standards. Responsible employees will include, but are not limited to, Purchasing Officers, Business Officers, Vice Presidents, Research Office Contracting Officers, and Principal Investigators.

Each employee directly or indirectly responsible for procurement must complete the Acknowledgement form on page 4 of this APL. This will acknowledge familiarity with this APL and OMB Circular A-110. A file of completed forms must be maintained by each campus.

CONFLICT OF INTEREST

When University Trustees, officers of other employees, or members of their immediate families, have financial interests in, or consulting arrangements with, private business concerns, it is important to avoid actual or apparent conflicts of interest between their University obligations and their outside interests.

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Title 5 - §18-A of the Maine Revised Statutes reads in part: An executive employee (defined to include employees of the University of Maine System) may not have any direct or indirect pecuniary interest in or receive or be eligible to receive, directly or indirectly, any benefit that may arise from any contract made on behalf of the State when the state entity that employs the executive employee is a party to the contract. Any contract made in violation of this section is void.

What constitutes a significant interest or a relationship that may give rise to an actual or apparent conflict of interest often must be judged on a case by case basis. If in doubt, the employee should consult the campus president, or his or her designee. University counsel may be consulted if the campus president, or his or her designee, deems it necessary.

1. Situations That Must Be Avoided

Certain situations must be avoided since even full disclosure would not satisfy legal requirements and approval of such actions could not be granted by the University. Examples of these situations include:

- a. **Personal gain**--Transmitting to outsiders or otherwise using for personal gain University supported work products, results, materials, property records, or non-public information without the right to do so;
- b. **Privileged information**--Using for personal gain, or other unauthorized purposes, non-public information acquired in connection with the individual's University-supported activities. This privileged or confidential information includes, but is not limited to, medical, personnel, or security records of individuals; anticipated material and equipment requirements or price actions; knowledge or possible new sites for University supported operations; and knowledge of forthcoming programs or of selections of contractor or subcontractors in advance of official announcements, confidential patent information and trade secrets;
- c. **Contract negotiation**--Negotiating or giving final approval to contracts between the University and other organizations and individuals with which the employee has direct or indirect consulting or other significant relationships;

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- d. **Gratuities and special favors**--Accepting gratuities or special favors from individuals and organizations with which the University does or may conduct business, or extending gratuities or special favors to employees of any sponsoring government or other agency or entity, under circumstances which might reasonably be interpreted as having any possibility of influencing the recipients in the conduct of their duties. Acceptance of any gifts is strictly prohibited.

2. Situations Requiring Disclosure

The following situations may be undertaken only with full disclosure by the employee and approval from the campus president, or his or her designee, in consultation with University counsel, if necessary. The existence of such situations should be on the record and the reasons for approval documented in writing. Examples of situations requiring disclosure and approval in advance include:

- a. **Outside Organization**--Undertaking, modifying, or orienting the employee's activities to serve the needs of an outside organization or individual;
- b. **Purchases**--Recommending the purchase of equipment, instruments, materials, services, or other items from a private firm in which the individual has an interest, direct or indirect.

APPROVED:

Vice Chancellor of Finance and Administration

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Acknowledgement
of
University of Maine System
Procurement Standards of Conduct

TO: _____
(Campus Authority)

This will acknowledge that I have received a copy and have read the University of Maine System Procurement Standards of Conduct (APL VII-B) and OMB Circular A-110, and agree to comply with them.

_____ Signature	_____ Title
_____ Name	_____ Campus
_____ Date	_____ Department