



ARIZONA DEPARTMENT OF ADMINISTRATION
STATE PROCUREMENT OFFICE

TECHNICAL BULLETIN No. 001

TITLE **Procurement Ethics**
REVISION **Number 4**
DATE **June 20, 2014**

I. Authority

A. Applicable Statute

A.R.S. § 41-2511 Authority of the director

A.R.S. § 41-2512 Delegation of Authority by the Director

A.R.S. §§ 38-501 to 511 Conflict of Interest of Officers and Employees

A.R.S. § 41-2517 Procurement officers and procurement employees; violation;
classification

A.R.S. § 41-2616C Violation; classification; liability; civil penalty; enforcement authority

B. Applicable Administrative Code

R2-7-201 State Procurement Administrator: Duties and Qualifications

R2-5-501 Standards of Conduct

C. Applicable Technical Bulletins

SPO Technical Bulletin No. 002 Delegation of Procurement Authority

II. Definitions

A. Ethics. (1) A principle of right or good conduct or a body of such principles. (2) A system of moral principles or values. (3) A code of conduct. (4) Prohibits breach of the public trust by any attempt to realize personal gain by a public employee through conduct inconsistent with the proper discharge of the employee's duties. Strong ethical principles are required for public procurement personnel and both the National Institute of Governmental Purchasing (NIGP) Inc. and the Institute of Supply Management (ISM) have articulated ethical codes for their membership. The Universal Public Purchasing Certification Council has also published a Code of Ethics. (Source: NIGP Dictionary 2007)

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- B. National Institute of Governmental Purchasing (NIGP). Is a national, membership-based non-profit organization providing support to professionals in the public sector purchasing profession. NIGP provides its members with many services, including education, professional networking, research and technical assistance.
- C. Gratuity. A payment, loan, subscription, advance, and deposit of money, service or a promise of such given in return for a favor or in expectation of a favor. A gratuity may include any tangible and intangible benefit in the nature of gifts, favors, entertainment or discounts and kickbacks. Also included are passes, transportation, accommodations, hospitality, or offers of employment in connection with any decision, approval, disapproval, recommendation, influence, investigating, auditing, rendering advice, request for ruling, determination or claim. Gratuity by definition asserts that there is an implied obligation of further favorable action on the part of the person who receives a gratuity.
- D. Significant Procurement Role. Means any role that includes any of the following duties: (a) Participating in the development of a procurement. (b) Participating in the development of an evaluation tool. (c) Approving a procurement or an evaluation tool. (d) Soliciting quotes greater than ten thousand dollars for the provision of materials, services or construction. (e) Serving as a technical advisor or an evaluator who evaluates a procurement. (f) Recommending or selecting a vendor that will provide materials, services or construction to this state. (g) Serving as a decision maker or designee on a protest or an appeal by a party regarding an agency procurement selection or decision.

III. Policy

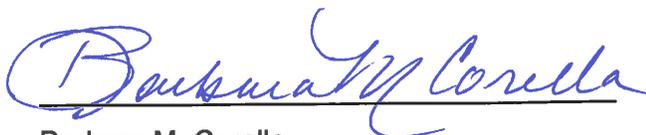
- A. Purpose. This policy is offered as a general guideline to deal with various aspects of ethical behavior. It is the policy of the Arizona State Procurement Office that the State governmental units maintain the highest ethical standard consistent with professional public procurement, best practices and zero tolerance for unethical behavior.
- B. Incorporated by Reference. The National Institute of Governmental Purchasing (NIGP) Code of Ethics is hereby incorporated into this policy. (www.aznigp.org)
- C. Procurement Conduct and Values. The following Procurement Conduct and Values serve as a tool for best practice procurement. Any person employed by the State of Arizona who purchases goods and services, or is involved in the purchasing process for the State, shall:
1. Never solicit or accept money, loans, credits or prejudicial discounts, and avoid the acceptance of gifts, entertainment, favors, or services from present or potential suppliers which might influence, or appear to influence purchasing decisions.

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2. Promote positive supplier relationships by providing an environment where all business concerns are afforded an equal opportunity to compete for State of Arizona business.
3. Conduct all purchasing activities in accordance with Federal Regulations, Arizona State Procurement Statutes, Administrative Rules, Executive Orders, and State Procurement Office Technical Bulletins and Standard Procedures, while remaining alert to and advising management regarding the legal ramifications of purchasing decisions.
4. Display the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire opportunity by the avoidance of appearance or intent of unethical or compromising practice in relationships, actions and communications.
5. Demonstrate loyalty to the State of Arizona and employing agency by diligently following all lawful instructions while using professional judgment, reasonable care, and exercising only the authority granted.
6. Enhance the proficiency and professional status of procurement by seeking further educational endeavors.
7. Refrain from any private or professional activity that would create a conflict or the perception of a conflict, between personal interests and the interest of the State of Arizona.
8. Constantly strive for the highest standards of ethical behavior; trust, respect, fairness, integrity and credibility.
9. Not accept any position or have employment discussions with a person or firm lobbying or potentially responding to the solicitation, if identified as having a significant procurement role in the solicitation.

IV. Effective

This Technical Bulletin is hereby authorized and effective this 20th day of June 2014, unless otherwise revised or repealed.



Barbara M. Corella
State Procurement Administrator