

GOVERNING BODIES WEBINAR TRAINING
ADDITIONAL INFORMATION-WEBINAR TOPICS

TOPIC: ETHICAL STANDARDS AND POLICIES FOR CONTRACTING AND PROCUREMENT

Texas Government Code (TGC) – Sec. 572.069. CERTAIN EMPLOYMENT FOR FORMER STATE OFFICER OR EMPLOYEE RESTRICTED.

A former state officer or employee of a state agency who during the period of state service or employment participated on behalf of a state agency in a procurement or contract negotiation involving a person may not accept employment from that person before the second anniversary of the date the officer's or employee's service or employment with the state agency ceased.

TOPIC: STANDARDS OF CONDUCT – (ADD'T RESOURCES ON ETHICAL STANDARDS)

TGC – Sec. 2262.004. REQUIRED NEPOTISM DISCLOSURE.

Visit the Texas State Auditor's Office website to acquire a copy of the Disclosure Statement for Purchasing Personnel. Form can also be found in CPA Contract Management Guide.

The Texas Ethics Commission provides an Online Ethics Training for State Officers and Executive Branch Employees and Members of the Legislature and Legislative Branch Employees.

TOPIC: CONFLICT OF INTEREST

TGC – Sec. 2261.252. DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST: CERTAIN CONTRACTS PROHIBITED

(a) Each state agency employee or official who is involved in procurement or in contract management for a state agency shall disclose to the agency any potential conflict of interest specified by state law or agency policy that is known by the employee or official with respect to any contract with a private vendor or bid for the purchase of goods or services from a private vendor by the agency.

(b) A state agency may not enter into a contract for the purchase of goods or services with a private vendor with whom any of the following agency employees or officials have a financial interest:

- (1) a member of the agency's governing body;
- (2) the governing official, executive director, general counsel, chief procurement officer, or procurement director of the agency; or
- (3) a family member related to an employee or official described by Subdivision (1) or (2) within the second degree by affinity or consanguinity.

(c) A state agency employee or official has a financial interest in a person if the employee or official:

- (1) owns or controls, directly or indirectly, an ownership interest of at least one percent in the person, including the right to share in profits, proceeds, or capital gains; or
- (2) could reasonably foresee that a contract with the person could result in a financial benefit to the employee or official.

(d) A financial interest prohibited by this section does not include a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation.

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TOPIC: CONFLICT OF INTEREST

TGC - Sec. 2261.253. REQUIRED POSTING OF CERTAIN CONTRACTS; ENHANCED CONTRACT AND PERFORMANCE MONITORING.

(a) For each contract for the purchase of goods or services from a private vendor, each state agency shall post on its Internet website:

- (1) each contract the agency enters into, including contracts entered into without inviting, advertising for, or otherwise requiring competitive bidding before selection of the contractor, until the contract expires or is completed;
- (2) the statutory or other authority under which a contract that is not competitively bid under Subdivision (1) is entered into without compliance with competitive bidding procedures; and
- (3) the request for proposals related to a competitively bid contract included under Subdivision (1) until the contract expires or is completed.

(b) A state agency monthly may post contracts described by Subsection (a) that are valued at less than \$15,000.

(c) Each state agency by rule shall establish a procedure to identify each contract that requires enhanced contract or performance monitoring and submit information on the contract to the agency's governing body or, if the agency is not governed by a multimember governing body, the officer who governs the agency. The agency's contract management office or procurement director shall immediately notify the agency's governing body or governing official, as appropriate, of any serious issue or risk that is identified with respect to a contract monitored under this subsection.

(d) This section does not apply to a memorandum of understanding, interagency contract, interlocal agreement, or contract for which there is not a cost.

TOPIC: FINANCIAL ADVISORS

TGC – Sec. 2263.005. DISCLOSURE REQUIREMENT FOR OUTSIDE FINANCIAL ADVISOR OR SERVICE PROVIDERS.

(1) any relationship the financial advisor or service provider has with any party to a transaction with the state governmental entity, other than a relationship necessary to the investment or funds management services that the financial advisor or service provider performs for the state governmental entity, if a reasonable person could expect the relationship to diminish the financial advisor's or service provider's independence of judgment in the performance of the person's responsibilities to the state governmental entity; and

(2) all direct or indirect pecuniary interests the financial advisor or service provider has in any party to a transaction with the state governmental entity, if the transaction is connected with any financial advice or service the financial advisor or service provider provides to the state governmental entity or to a member of the governing body in connection with the management or investment of state funds.

(b) The financial advisor or service provider shall disclose a relationship described by Subsection (a) without regard to whether the relationship is a direct, indirect, personal, private, commercial, or business relationship.