

Procedure



Conflict of Interest of Employees Participating in City Procurements

This Procedure falls under the Procurement Administrative Policy.

Approved By: Deputy City Manager
Financial and Corporate Services

Date of Approval: 04/16/2020

Program: Financial Management
The City of Edmonton's resilient financial position enables both current and long-term service delivery and growth.

Next Scheduled Review: 04/16/2023

Purpose

The purpose of this procedure is to outline the mechanisms to reduce the risk and potential conflict that may arise if an employee participates in a City procurement and is engaged in the evaluation of a bid from or in the decision to award a contract to a bidder with whom the employee has or had a personal relationship, a financial or controlling interest, or a former employment relationship.

The City is committed to increase the transparency in the procurement process and positively impact the accountability of employees with regard to procurement by ensuring that City resources are not exploited for personal gain and that awarding of contracts is carried out without any unfair competitive advantage or favouritism.

Definitions

All definitions contained in the Procurement Administrative Directive apply to this procedure. In addition:

- **“former employment relationship”** means a City employee’s former role as an employee, a contractor, or subcontractor with a bidder within the last twelve months.

Principles

An employee who has or had (within the last 12 months) a personal relationship, financial or controlling interest, or a former employment relationship with a bidder that is participating in the City procurement process must not participate in the procurement evaluation or the decision to award a contract, unless the relationship or interest is disclosed and addressed in accordance with this procedure.

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If it is determined by the City that the involvement of an employee in a City procurement process may result in a real or perceived conflict of interest, then the Branch Manager, Corporate Procurement and Supply Services will determine if the employee can participate, in whole or in part, in the procurement process.

Processes

1. *Disclosure Procedures*

- 1.1. All members of a City evaluation committee must acknowledge or sign the Evaluation Committee Member Obligations Acknowledgement form prior to the closing of the sourcing event.
- 1.2. If an evaluation committee member has or had (within the last 12 months) a personal relationship, a financial or controlling interest, or a former employment relationship with a bidder whose bid is under evaluation, the employee must notify their supervisor and CPSS staff responsible for the procurement and must not participate in the evaluation process, until reviewed and deemed permitted by the Branch Manager, Corporate Procurement and Supply Services.
- 1.3. Supervisors who become aware of an evaluation committee member who has or had (within the last 12 months) a personal relationship, a financial or controlling interest, or a former employment relationship with a bidder whose bid is under evaluation must notify the Branch Manager, Corporate Procurement and Supply Services.
- 1.4. If the Branch Manager, Corporate Procurement and Supply Services, becomes aware that an employee has or had (within the last 12 months) a personal relationship, a financial or controlling interest, or a former employment relationship with the bidder, either during the procurement process or after a contract is awarded, the Branch Manager will review the situation and may refer the matter to the Procurement Conflict of Interest Advisory Group for review.

2. *Evaluating Potential Conflicts of Interest*

- 2.1. The Branch Manager, Corporate Procurement and Supply Services will review and evaluate the description of the perceived conflict of interest and determine if the matter is referred to the Procurement Conflict of Interest Advisory Group.
- 2.2. Upon receipt of a matter referred, the Procurement Conflict of Interest Advisory Group will review and provide recommendations as to whether a conflict of interest or an unfair competitive advantage exists.
- 2.3. When providing recommendations, the Procurement Conflict of Interest Advisory Group will consider any principles provided in applicable City policies, directives, procedures and



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guidelines, as well as the following:

- the employee's interest in, or role or relationship with the bidder;
 - the nature and frequency of the employee's communication and interactions with the bidder or members of the bidder's team, if any, while the employee is in possession of, or has access to, relevant materials and/or confidential information in relation to the procurement in question; and
 - the employee's perspective regarding their involvement in the planning, preparation, evaluation and execution of the procurement process and documents, including whether there are any potential concerns about their ability to carry out their role and responsibilities with objectivity during the procurement process.
- 2.4. If the Procurement Conflict of Interest Advisory Group determines that a conflict of interest or unfair competitive advantage exists with regard to the involvement of the employee in the procurement process, the Procurement Conflict of Interest Advisory Group will provide recommendations to the Branch Manager, Corporate Procurement and Supply Services, as to whether the conflict of interest can be mitigated or managed.
- 2.5. The Procurement Conflict of Interest Advisory Group will, along with its recommendations, provide written reasons in support of its recommendations, the record of which will be retained by the Branch Manager, Corporate Procurement and Supply Services in accordance with the applicable City records retention schedule.

3. *Addressing Conflicts of Interest*

- 3.1. The Branch Manager, Corporate Procurement and Supply Services will:
- a) decide that no conflict of interest or unfair competitive advantage exists;
 - b) if a conflict of interest or unfair competitive advantage exists, implement mitigation strategies to address the conflict or unfair competitive advantage;
 - c) if a conflict of interest or unfair competitive advantage exists, recuse the City employee from the evaluation of the competitive procurement opportunity, disqualify the applicable bidder from the City procurement, or take steps to terminate the applicable contract; or
 - d) if a conflict of interest or unfair competitive advantage exists, take any other measures as may be appropriate.

Additional Resources

The Branch Manager, Corporate Procurement and Supply Services may, after review by the City Solicitor, approve standards to support or provide further detail to the above processes; however, any amendments to the processes contained in this procedure must be approved by the City Manager.