

**Department of Administrative Services  
Central Procurement and Fleet Services Enterprise  
Conflict of Interest and Related Party Policy**

**Reason for Policy**

Individuals employed by the Department of Administrative Services Central Procurement and Fleet Services Enterprise (DAS-CPFSE) as procurement enterprise staff and employees authorized by other State agencies to purchase goods and services (collectively, “Purchasers”) for the State hold positions of trust and are required to act in the best interests of the State. Each Purchaser shall avoid any activity that impairs or would reasonably appear to impair the ability to perform their duties with independence and objectivity.

**Avoiding Even the Appearance of Impropriety**

Purchasers shall not, by their conduct, provide a reasonable basis for the impression that any person can improperly influence them or unduly enjoy their favor in the performance of their duties, or that they are affected by the kinship, rank, position, or influence of any party or person in the performance of their duties.

Additionally, Purchasers shall not use, or attempt to use, their position to secure unwarranted privileges or exemptions for themselves or others. Similarly, Purchasers are strictly prohibited from accepting a bribe or succumbing to other attempts to exert undue influence with respect to the Purchaser’s job responsibilities.

**Compliance with Law**

All Purchasers shall comply with the provisions of Iowa Code chapters 8A, 26, 68B and all other applicable procurement laws, rules and policies in performing their procurement responsibilities, including those outlined in this Related Party and Conflict of Interest Policy. In the event of a conflict between this policy and applicable law, the applicable law shall take precedence.

**Conflict of Interest**

Generally, a conflict of interest exists whenever a person serving the public may gain a private advantage, financial or otherwise, through their public capacity, or when there is otherwise a conflict between the public obligations and the private interests of the public employee. An individual may have a conflict of interest even though a private advantage was not sought or actually gained.

Iowa Code section 68B.2A (1) prohibits State employees from engaging in outside employment or activities which may conflict with the employee’s official duties and responsibilities. The statute contains a list of things that are deemed to be unacceptable conflicts of interest. However, State employees should keep in mind that the list is not exhaustive; unacceptable conflicts of interest exist in other situations.

Iowa Code section 68B.3 prohibits a State employee from selling goods or services to a State agency if the sale is in excess of \$2,000.00, in any one occurrence, unless the sale is made after public notice and a competitive bidding process. Even if the sale is permissible, the State employee must disclose the sale by filing a report with the Iowa Ethics and Campaign Disclosure Board within twenty days of the sale. These provisions apply to all transactions, including those involving a Targeted Small Business in which an employee has a Direct or Indirect Financial Interest or Other Interest. A “Direct or Indirect Financial Interest” means an ownership or other financial interest in a business entity; or any relationship, contractual or otherwise, which could

**Department of Administrative Services  
Central Procurement and Fleet Services Enterprise  
Conflict of Interest and Related Party Policy**

result in a monetary or non-monetary gain to a Purchaser. “Other Interests” of a Purchaser means serving as a compensated or non-compensated director, officer, consultant, broker, agent, employee or representative of any business entity conducting, or proposing to conduct, business with the State.

**Purchases from Related Parties**

Conflicts of interest include purchases from Related Parties. Purchasers shall not knowingly solicit or acquire goods or services from a Related Party. A supplier or service provider in a proposed procurement with the State is a Related Party of a Purchaser conducting the procurement if the Purchaser:

1. Has any Direct or Indirect Financial Interest or Other Interest, as such terms are defined above, in the supplier or service provider; or
2. Controls or actively influences the activities of the supplier or service provider, or has an immediate family member who owns or controls or actively influences the activities of the supplier or service provider; or
3. Has an immediate family member who is employed by the supplier or service provider in a management or sales capacity.

**Assignment of Projects Involving a Related Party Conflict of Interest**

If a procurement project would involve a DAS-CPFSE Purchaser who has, or potentially may have, a Related Party conflict, the staff member shall report this to the DAS-CPFSE Chief Operations Officer who, in turn, will assign the procurement project to a Purchaser not having a Related Party conflict. If a procurement project would involve a Purchaser from another State agency who has, or potentially may have, a Related Party conflict, the Purchaser shall report this to its agency management. The agency shall then assign the procurement project to a staff member who does not have a Related Party conflict. If the agency fails to do so, the Purchaser shall contact the DAS-CPFSE Chief Operations Officer.

If a Related Party issue involving a Purchaser is discovered either during the procurement process or after the State has entered into a contract with the Related Party, the matter shall be referred to the DAS-CPFSE Chief of Operations or the Purchaser’s management as described above. Management will review the matter and determine the appropriate response and actions with respect to the Purchaser, the procurement process, and the contract with the Related Party.

*If a Purchaser conducts a known Related Party transaction, or fails to disclose a Related Party conflict, the Purchaser may be subject to discipline up to and including termination.*

**Disclosing a Real, Apparent, or Potential Conflict of Interest**

Purchasers shall disclose all real, apparent, or potential conflicts of interest for review as described below. Disclosures by DAS Purchasers shall be made to the DAS-CPFSE Chief Operations Officer, and disclosures by Purchasers from other State agencies shall be made to the Purchaser’s management, in accordance with this policy. Disclosures are required in three instances:

**Department of Administrative Services  
Central Procurement and Fleet Services Enterprise  
Conflict of Interest and Related Party Policy**

1. Annual Disclosures: At the beginning of each calendar year, Purchasers shall report Direct or Indirect Financial Interests or Other Interests that pose or may pose a real, apparent, or potential conflict of interest. Purchasers shall update the disclosures--in the form provided by DAS-CPFSE and attached to this Policy--both annually and as new reportable interests are obtained or as new reportable activities occur.
2. Disclosure of Related Parties: At the beginning of each calendar year, Purchasers shall provide written notice of any known Related Party in which they hold a Direct or Indirect Financial Interest or Other Interest.
3. Situational Disclosures: Purchasers shall report any Direct or Indirect Financial Interest or Other Interest that may pose a conflict of interest under this policy. Such situational disclosures shall be made as soon as practicable after the individual learns of the real, apparent or potential conflict of interest.

When a disclosure is made under this policy, the actual, apparent, or potential conflict of interest will be reviewed by the Purchaser's management. If a conflict of interest is found to exist, appropriate steps shall be taken by the parties to, reduce or eliminate the conflict of interest.

**Violation of Policy**

**In addition to any penalty contained in any provision of federal or State law or policy, individuals who violate any of these provisions may be subject to discipline up to and including termination.**

**ACKNOWLEDGMENT OF EMPLOYEE:**

**I have read and understand this DAS-CPFSE Conflict of Interest and Related Party Policy, the Purchaser Representation of Independence and the specific statutes referenced in the Compliance with Law section above. I agree to report promptly any Direct or Indirect Financial Interest or Other Interest and any Related Party which arises in my employment with the State of Iowa and, in all other respects, to comply with this policy and its procedures.**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Position: \_\_\_\_\_

Agency: \_\_\_\_\_

Date: \_\_\_\_\_

*Please submit one signed copy of this form to the DAS-CPFSE Chief Operations Officer.*