This policy is intended to communicate the District’s desire to identify and eliminate unethical practices while creating an environment in which employees and/or citizens are encouraged to report and be comfortable with the reporting of fraud, misappropriations, and other irregularities.

COVERED ACTIVITIES

The District’s Office of Internal Audit and/or the District’s general counsel will investigate theft of property, theft of service, theft of anything of value, fraud, and misappropriation claims. Investigation will include attempts by vendors or outside organizations to influence Board or District staff decisions in violation with District procurement, contracting, and bidding policies and procedures.

ACTIONS CONSTITUTING INAPPROPRIATE ACTIVITIES

Examples of activities constituting inappropriate conduct include but are not limited to the following:

1. Receiving payment as a result of the submittal of fictitious billing for work not actually performed;

2. Receiving payment as a result of intentional over billing for work performed;

3. Bid price fixing;

4. Influencing Board members or District staff to enter into transactions providing a financial benefit to an organization or vendor that does not comply with District procurement, contract, or grant policies and procedures and/or that may not be in the best interest of the District; and

5. Collusion with District employees to commit a fraudulent act.

INVESTIGATIONS

Any fraud, misappropriation, or financial impropriety that is detected or suspected must be reported immediately by any employee or vendor to the Office of Internal Audit, which shall coordinate all investigations with other affected areas, both internal and external.

Management shall be responsible for the detection and prevention of fraud, misappropriations, and other financial improprieties within the respective work unit. [See CHE(REGULATION)]

Any investigative activity required shall be conducted without regard to the suspected wrongdoer’s length of service, position/title, or relationship to the District.

CONTACT WITH PERSONNEL / BOARD

Solicitors and representatives from collection agencies shall not be permitted to see school personnel in the buildings at any time. Salespersons of educational products shall be permitted to interview teachers during their planning periods or before or after school. An appointment shall be necessary, and the visitation must be approved by the teacher(s) and the principal.
Individual Board members who are contacted by persons conducting business with the District shall refer such persons to the Office of the Superintendent for the appropriate administrative response in accordance with existing District policies and administrative regulations. [See UNSOLICITED PROPOSALS, below, and CAA(LOCAL)] The Superintendent or designee shall provide a response to the full Board of any matters referred to the Superintendent under this policy.

“Conducting business” shall include participation in a pending procurement, the negotiation of any contract, the performance of any contract, the selling of any product, and the performance of any service.

The Board and taxpayers of the District have the right to know with whom they do business. The availability of such information may help prevent and identify potential conflicts of interest regarding present and former (within the last five years) members of the Board, District employees and members of their immediate families, including those related to the Trustee by consanguinity (i.e., blood) within the third degree or by affinity (i.e., marriage) within the second degree, who have a pecuniary or other interest in such company or corporation as described below. Pecuniary or other interest means that said person would receive, directly or indirectly, compensation or anything of value resulting from a purchase, sale, or rental of real or personal property or any other item of value regarding pending competitive procurement practices of the District, including but not limited to:

1. Construction, renovation, maintenance, or repair of school property.
2. Supplies.
3. Equipment.
4. Professional services, including architects, attorneys, fiscal agents, engineers, and consultants.

Information will be provided by companies, corporations, individuals, all sole source providers, and any affiliated party or compensated agent as part of the procurement process through questionnaire made a part of the District’s proposal or qualifications request. Similar information will ultimately be required for any major subcontractor, when known by the approved vendor. Information provided in the questionnaire will be used to identify information that will be relative to the handling of work proposed for the District. This information may include, but is not limited to:
1. Names of owners, principal shareholders or stockholders, officers, agents, salespeople, and key employees who fall within the category of:
   a. Present and former (within the past five years) members of the Board.
   b. District employees and members of their immediate families working or potentially working on the District’s contract.
2. Certification of authority and/or any license or certificate required to conduct business within the State of Texas and/or City of Houston in accordance with any governing federal, state, and local statutes, regulations, and ordinances.
3. Names of any parent company, subsidiaries, or other name under which they are currently conducting or have previously conducted business with the District.
4. Legal name of business.
5. Mailing address and business street address, state, and city.
6. Name of bonding and/or insurance company and copies of current policies.
7. Number of full- and part-time employees.
8. Authorized agents, including any person or entity who is authorized to ‘act with’ or ‘act on your behalf’, such as consultants, sub-contractors, re-sellers, and/or lobbyists, whether compensated or not compensated.
9. Type of business and types of products or services provided.
10. Financial and business references, including bank with which they conduct business.
11. Ethnic group of the majority owners to identify minority business.
12. Identification of any past, pending, or present litigation involving the District and any company, owners, principal shareholders or stockholders, officers, agents, salespeople, or employees.
13. Relationship to any political action committees (PAC).

The Board may use the information listed above to determine whether any potential conflicts exist and to determine whether such conflicts of interests are of sufficient magnitude as to warrant:
1. Disqualification of a Board member or District employee from participation in any decision pertaining to conducting business with such potential vendor.

2. Disqualification of the potential vendor from conducting business with the District.

Should any potential vendor refuse or willfully fail to provide the requested data, the Board may consider such refusal or failure as good cause to debar the potential vendor for no less than 24 months. [See also BBFA(LOCAL)]

A benefit interest transaction is one that is in the benefit of the District even though there may be a potential conflict of interest for a Board member. These transactions generally involve vendor gifts of funds, time, or products that benefit students across the District or in one or more Board districts.

Board members shall disclose all instances of vendor gifts for these purposes for consideration regarding conflicts of interest. The Superintendent or designee will use this information for purposes of evaluating exposing these services to market competition.

UNSOLICITED PROPOSALS

Unsolicited proposals may come forth when companies see an opportunity to use the District to enhance their business interest. The District encourages the submission of new and innovative ideas. These ideas may be submitted as unsolicited proposals. Unsolicited proposals allow unique and innovative ideas or approaches that have been developed outside the District to be made available to the District for use in accomplishment of the District’s goals and objectives. Unsolicited proposals are offered with the intent to support the District’s goals and objectives, and often represent a substantial investment of time and effort by the offeror.

Although it may appear from such proposals that no other company could offer the same product or service [see CH(LOCAL) for definition of sole source], the District shall evaluate proposals on its own merit and/or utilize a competitive procurement process as applicable.

The Superintendent or designee shall coordinate and document any requests from outside agencies to meet with and discuss elements of an unsolicited proposal. Vendors shall comply with the requirements of Board policy and not seek to contact or influence individual Board members or District officials in preparing or presenting unsolicited proposals.

The General Manager of Procurement shall direct District Procurement staff members to review and evaluate the proposal in
compliance with federal, state, and local laws as well as Board policy and administrative regulation.

EFFECTIVE DATE
This policy shall be effective as of the adoption date, October 16, 2015.