

## Code of Ethics

The City of New Braunfels Purchasing Departments is committed to:

- encouraging positive supplier relationships through courtesy and impartiality;
- demonstrating loyalty to the City of New Braunfels and its citizens by knowing and obeying all State laws, City ordinances and purchasing procedures;
- avoiding all appearances of unethical or compromising acts during interaction with vendors;
- refraining from any activities that would create a conflict between personal interests and those of the City;
- ensuring that all vendors have the opportunity to participate in the bidding process;
- prohibiting City employees from soliciting or accepting money, loans, credit, discounts, gifts, entertainment, favors or services from present or potential vendors;
- and enhancing the purchasing professionalism by improving technical knowledge and adhering to the highest ethical standards.

## General Ethical Standards

It shall be a breach of ethics to attempt to realize personal gain through public employment with the City of New Braunfels by any conduct inconsistent with the proper discharge of the employee's duties.

It shall be a breach of ethics to attempt to influence any public employee of the City of New Braunfels to breach the standards of ethical conduct set forth in this code.

It shall be a breach of ethics for any employee of the City of New Braunfels to participate directly or indirectly in procurement of a contract when the employee knows that:

- ❖ the employee or any member of the employee's immediate family has a financial interest pertaining to the procurement of a contract;
  - ❖ a business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement of a contract; and
  - ❖ any other person, business or organization with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement of a contract.
- ❖ As stated in the City of New Braunfels Charter, Chapter XII, Section 12.02 Personal Interest:
1. All members of the City Council, and all officers and employees of the City, shall be subject to and shall comply with the provisions of general state law regarding personal, financial or conflicting interests in transactions with the City, including but not limited to Chapter 171 of the Texas Local Government Code.

## Gratuities

Employees and their families must not solicit or accept money, loans, gifts, favors, or anything of value, from present or potential vendors which might influence or appear to influence any purchasing decision. If anyone is in doubt whether a transaction complies with this policy, the individual should disclose the transaction to Purchasing for interpretation.

### ❖ Offers of Gratuities

As stated in the City of New Braunfels Charter, Chapter XII, Section 12.03 Prohibitions:

1. (5) Neither the Mayor nor any other member of the City Council, nor any elective or appointive officer of the City, shall be directly or indirectly in the employ of any person, company or corporation, holding or seeking to hold any franchise from the City of New Braunfels, or shall receive directly or indirectly any wage, commission, fee, gift, favor or payment from such franchise holder, and any violation of this section shall ipso facto render vacant the office held by the person violating it.

## Kickbacks

It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the City of New Braunfels, or any person associated therewith, as an inducement for the award of a subcontract or order.

## Conflicts Disclosure Statement

### **Who must file a conflicts disclosure statement?**

Section 176.004 of the Local Government Code requires a “local government officer” file a Conflicts Disclosure Statement disclosing any business relationship with the local governmental agency if they receive taxable income or certain gifts from any person or business that contracts with the city or is considering doing business with the city.

### **When must a local government officer file a Conflicts Disclosure Statement?**

A “local government officer” is required to file a Conflicts Disclosure Statement if:

1. the person has contracted with the local governmental entity; or
2. the local governmental entity is considering doing business with the person and the person has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income; or
3. the person has given a local governmental officer or a family member one or more gifts that have an aggregate value of more than \$250 in the 12-month period preceding the date that a contract was executed, or the local governmental entity is considering doing business with the person.

### **Texas Ethics: Conflict of Interest Questionnaire**

A copy of the law, HB 914 of the 79th Regular Session of the legislature, is available at

<http://www.capitol.state.tx.us> and the form for filing is available at <http://www.ethics.state.tx.us>.



FINANCE DEPARTMENT

## Certificate of Interested Parties (HB 1295)

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

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*Purchasing Manager*

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