

 <p><b>Lake County Policy</b></p>	<p><b>INTERNAL USE ONLY</b></p> <p><b><i>Vendor Disclosure and Conflict of Interest Policy</i></b></p>
	<p><b>Version: 3.0</b></p>
	<p><b>Date: 09/0926/19</b></p>

### 1.0 Purpose

The purpose of this policy is to provide guidance on vendor disclosure and conflict of interest for employees involved in procurement decisions. To ensure a transparent procurement process, vendors wishing to contract with Lake County for goods and services in an amount greater than \$30,000 shall be asked to disclose:

1. Knowledge of familial relationships; and
2. Political campaign contributions.

To further insure the integrity of the decision-making processes for county procurements, all employees must disclose any conflict of interest that may directly or indirectly influence any procurement or ensuing agreement or contract.

### 2.0 Application

This policy applies to all Lake County employees and elected officials and any procurements or contract renewals effective February 1, 2019. Utility companies regulated by the Illinois Commerce Commission and local units of government ~~Any member-owned company, publicly traded company or utility is~~ are exempt from the requirement to disclose, ~~but must submit the Vendor Disclosure Statement stating the nature of the exemption.~~

### 3.0 Description of Conflict of Interest

A conflict of interest arises in any situation in which a Lake County employee or elected official may directly or indirectly influence or attempt to influence any procurement, contract, purchase order or invoice decision or activity through an existing familial relationship or financial interest related to that matter.

### 4.0 Vendor Disclosure

Vendors interested in doing business with Lake County in an amount greater than \$30,000 shall submit a Vendor Disclosure Statement in the form prescribed by the County in keeping with the Illinois Compiled Statutes (55ILCS 5/5 3003) The form will be included as part of the required submissions for evaluation for award.

Vendors must disclose:

- a. A familial relationship between:

Lake County elected officials or department directors, deputy directors, or managers  
and  
owners, principals, executives, officers, account managers or other similar managerial  
position of the vendor's company

by indicating the names of the elected official or employee and the vendor employee, as well as the nature of the relationship.

A familial relationship includes: spouse (including civil partner), child, stepchild, parent, stepparent, grandparent, in-laws (including parent, grandparent, sibling or child), relatives and non-relatives living in the same residence, and offspring born to any aforementioned persons.

- b. All political campaign contributions that exceed \$150 annually made by a manager, owner, principal, executive, officer, account manager or other similar managerial position of the vendor's company to any current county board member, county board chair, or countywide elected official within the last five years.

#### **4.1 Validation of Vendor Disclosure**

- a. Familial Relationships

Purchasing staff will compare the employee names provided by the vendor with any Lake County employees that may directly or indirectly influence or attempt to influence any procurement, contract, purchase order or invoice decision or activity. Lake County employees identified by a vendor shall be excluded from the procurement process and withdrawn from further participation in the transaction.

If the vendor does not disclose a familial relationship and it is made known following the award, the vendor shall be required to submit a revised Statement and the Lake County employee(s) identified will be excluded from the procurement process and withdrawn from further participation in the transaction.

If the vendor refuses to submit a revised Statement, County staff will contact the chair of the appropriate standing committee for direction.

- b. Campaign Contributions

Purchasing staff will review the political campaign contributions made by a manager, owner, principal, executive, officer, account manager, or similar managerial position of the vendor's company to any county board member, county board chair, or countywide elected official provided by the vendor.

If the vendor does not disclose a political campaign contribution and it is made known to Purchasing staff or other County official or staff following award, the vendor shall be required to submit a revised Statement.

If the vendor refuses to submit a revised Statement, County staff will contact the chair of the appropriate standing committee for direction.

- c. All completed Vendor Disclosure Statements shall be included with agenda items on the County Board agenda, kept on file with the contract file, and posted on the County's website for active contracts.
- d. Upon contract renewal, Purchasing staff will communicate with the vendor and request any update to the Vendor Disclosure Statement as necessary. If the vendor refuses to submit a revised Statement, Purchasing staff will contact the chair of the appropriate standing committee for direction.

#### 4.2 Exemptions and Exceptions Granted for Vendor Disclosure

- a. All vendors wishing to contract with Lake County for goods and services in an amount greater than \$30,000 shall submit the Vendor Disclosure Statement in advance of award. ~~Publicly traded companies and utilities~~ **Utility companies regulated by the Illinois Commerce Commission and local units of government** ~~must submit the Vendor Disclosure Statement~~ **buy may claim an exception are exempt** from disclosing information, based on their status. ~~Purchasing staff will validate vendor exemptions.~~
- b. ~~Vendors other than publicly traded companies or utilities~~ **utilities or local units of government requesting an exception** ~~wishing to be exempted~~ will be required to submit their request in writing. ~~Staff will contact the chair of the appropriate standing committee who will make the determination as to whether the procurement transaction will be included on the agenda with an exception reason other than publicly traded company or utility~~ **The Purchasing Agent will submit a finding to the County Administrator's Office that:**
  - i. ~~the vendor has submitted a request for a viable exception that was not included in the exemptions identified on the Vendor Disclosure Statement;~~ **and**
  - ii. ~~all Lake County employees associated with the procurement have validated participation in the evaluation and award through submittal of Purchasing Disclosure Statements, confirming their ability to perform his/her procurement functions without actual or apparent bias or favoritism; and~~
  - iii. ~~the award will be in the best interest of the County.~~
- c. ~~Recommendation of award of contract with noted vendor exception will be included on the agenda for consideration of the appropriate standing committee of the Lake County Board.~~
- b. ~~The Chair of any standing committee may grant a waiver from the vendor disclosure upon making a written determination that:~~
  - i. ~~the vendor has submitted a request for a viable exception that was not included in the exemptions identified on the Vendor Disclosure Statement;~~ **and**
  - ii. ~~all Lake County employees associated with the procurement have validated participation in the evaluation and award through submittal of Purchasing Disclosure Statements, confirming their ability to perform his/her procurement functions without actual or apparent bias or favoritism; and~~
  - c. ~~the award will be in the best interest of the County.~~

#### 5.0 Purchasing Disclosure

Employees assigned to participate in the evaluation of bids and proposals shall submit a Purchasing Disclosure Statement prior to the release of information. The form will be included as part of the evaluation for award.

Employees must attest:

- a. Compliance with Article 12-104 of the Lake County Purchasing Ordinance: Employee Conflict of Interest/Bias and will immediately disclose any conflict of interest in writing to the relevant department head or to the Purchasing Agent.
- b. Agreement to notify the Procurement Agent in charge of the procurement if, at any time during this evaluation process, there is any change in circumstance that necessitates a change to the foregoing declarations.
- c. Preservation of the confidentiality of any documents received in connection with the solicitation evaluation.
- d. Acknowledgement that release of confidential information may lead to disciplinary action against the employee for making improper use of the confidential material released.
- e. Agreement to return the confidential documents to the Procurement Officer in charge of solicitation at the end of the evaluation process so that the material can be disposed of in a proper manner.

### **5.1 Validation of Purchasing Disclosure**

- a. For all public procurements solicited by the Purchasing Division, staff will request a Purchasing Disclosure from any employee and/or consultant who is directly involved with the evaluation of bids or proposals received.
- b. Signed Purchasing Disclosure forms must be on file prior to the release of related procurement information.
- c. If a county employee is deemed to be involved directly or indirectly in the procurement process, Purchasing shall notify the department director. The employee will be asked to withdraw from further participation in the transaction.

### **5.2 Exceptions Granted for Purchasing Disclosure**

- a. The Financial and Administrative Committee may grant a waiver from the employee conflict of interest provision (Section 11-104(2); Employee Conflict of Interest) or the contemporaneous employment provision (Section 11-104(3); Contemporaneous Employment Prohibited) upon making a written determination that:
  - i. the contemporaneous employment or financial interest of the County employee has been publicly disclosed;
  - ii. the County employee will be able to perform his/her procurement functions without actual or apparent bias or favoritism; and
  - iii. the award will be in the best interest of the County.
- b. Acknowledgement of waivers granted will be indicated in staff recommendation of award and kept on file with the contract documents

### **6.0 Related Ordinances and Policies**

- a. Lake County Ethics Ordinance

- b. Lake County Purchasing Ordinance

**7.0 Attachments**

- a. Vendor Disclosure Statement
- b. Purchasing Disclosure Form