



TEXAS TECH™

Operating Policy and Procedure

OP 72.03: Conflicts of Interest Relating to Purchasing, Payments, and Contracts

DATE: March 11, 2025

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to define conflicts of interest with respect to (1) the conduct of employees and (2) payments, purchases, and/or contracts by Texas Tech University or related entities (TTU) in compliance with [Texas Government Code Sec. 572](#) and Chapter 03 of *The Rules and Regulations of the Board of Regents of the Texas Tech University System (Regents' Rules)*.

REVIEW: This OP will be reviewed every two years after publication by the Assistant Vice President and Chief Procurement Officer with substantive revisions forwarded to the Senior Vice President for Administration & Finance and Chief Financial Officer.

POLICY/PROCEDURE

1. Policy for Officers, Faculty, and Staff

a. General Rule

Officers, faculty, and staff (“employees”) of TTU may not have direct or indirect interests, including financial and other interests; engage in business transactions or professional activities; or incur any obligation of any nature that is in substantial conflict with the proper discharge of the employee’s duties, including any purchasing, payables, or contracting function in which such employee has any delegated authority to conduct or approve the transaction. Any potential conflict of interest must be disclosed to the employee’s supervisor. The supervisor is responsible for evaluating the conflict and, if there are concerns, reporting the conflict to the Assistant Vice President and Chief Procurement Officer and developing a plan to mitigate the risk.

Employees may not act as an agent for another person or entity in the negotiation of the terms of an agreement relating to the provision of money, services, or property to TTU.

TTU may not enter into a contract for the purchase of goods or services with a private vendor with whom any of the following employees or officials have a financial interest:

- (1) The Chancellor, Vice Chancellor and General Counsel, President, Assistant Vice President and Chief Procurement Officer, or equivalent employee responsible for procuring goods and services for the institution involved in the contract; or
- (2) A family member related to the employees and officials listed above within the second degree of affinity or consanguinity.

The university shall distribute the ethics policy to each new employee not later than the third business day after the date the person begins employment with the university, in accordance with [Texas Government Code 572.051 \(c\) \(2\)](#).

Each employee is required to participate in regular training concerning ethics policies of the TTU System.

b. Benefits and Gifts

A “benefit” is anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any person in whose welfare a TTU employee has an interest as under state laws.

Officers and employees who exercise discretion in connection with contracts, purchases, payments, claims, and other financial transactions of government commit an offense under Texas law if they solicit, accept, or agree to accept any benefit from any person the officers or employees know is interested in or is likely to become interested in any contract, purchase, payment, claim, or transaction involving the officers’ or employees’ discretion. The prohibition does not apply to the following:

- (1) Gifts or other benefits conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient;
- (2) A fee prescribed by law to be received by officers or employees or any other benefit to which they are lawfully entitled or for which they give legitimate consideration in a capacity other than as officers or employees; and
- (3) Items having a value of less than \$50, not including cash or negotiable instruments.

c. Dual Employment

An employee may not be in any dual employment positions that would result in a conflict of interest in relation to their position at TTU. If such a circumstance arises, the employee shall remove themselves from the procurement, purchasing, or contract process and disclose the relationship to their direct supervisor and to the Assistant Vice President and Chief Procurement Officer.

A TTU department may not engage a vendor to provide goods or services under the following circumstances:

- (1) A current employee of such department is also employed by such vendor;
- (2) A current employee of such department or their spouse, children, or parents have a direct or indirect ownership interest in such vendor;
- (3) A current employee serves on the board of directors or other governing board of the vendor or serves as an elected officer of the vendor; or
- (4) The hiring of such vendor would result in the furtherance of any private interest or gain for a current employee of such department.

- d. If the owner of any such vendor who provides services to TTU is a TTU employee, a compliant payment to any vendor classified as a sole proprietorship or an individual shall be made through Payroll & Tax Services.
- e. Transactions with Other Individuals and/or Entities

An employee shall not conduct any transaction with other individuals and/or entities in which the employee is related by blood or marriage to such individual and/or any owner or employee of such entity. If such a circumstance arises, the employee shall remove themselves from the process and disclose the relationship to their supervisor and to the Assistant Vice President and Chief Procurement Officer. The supervisor shall be responsible for managing the conflict.

A TTU department may not hire a vendor under the following circumstances:

- (1) The Chancellor, President, Vice Chancellor and General Counsel, or the Assistant Vice President and Chief Procurement Officer or a family member has a financial interest in the vendor;
- (2) A current employee of such department is also employed by such vendor;
- (3) A current employee of such department has a direct or indirect ownership interest in such vendor;
- (4) A current employee serves on the board of directors or other governing board of the vendor or serves as an elected officer of the vendor; and/or
- (5) The hiring of such vendor would result in the furtherance of any private interest or gain for a current employee of such department.

An employee shall not make any unauthorized commitments or promises of any kind purporting to bind TTU for any goods or services without an authorized purchase order and/or contract.

A TTU employee shall act impartially and not give preferential treatment to any private or public organization or individual.

2. Policy for Vendors

Bidder/Proposer Affirmation

Vendors shall be required to sign the *Bidder/Proposer Affirmation* when submitting any competitive procurement response to TTU/TTUS. The *Bidder/Proposer Affirmation* requires prospective vendors to affirm their compliance with state and federal laws and/or TTU/TTUS policies, as applicable. The *Bidder/Proposer Affirmation* becomes part of any solicitation and becomes part of the binding terms and conditions on any resulting contract or purchase order. Any misrepresentation or false statement that is deemed material by TTU/TTUS is a breach of contract, which shall void or make voidable any solicitation, resulting contract, or purchase order.

Vendors shall be required to affirm the terms of the *Bidder/Proposer Affirmation* to remain in compliance with all items throughout the duration of the contract or purchase order. In instances

where the term “bidder/proposer” is used, that term shall also refer to the vendor once a successful purchase order or contract has been established.

3. Policy for Procurement Services Staff

In addition to the rules for officers, faculty, and staff, Procurement Services staff members shall also follow the following policies:

- a. Procurement Services staff members shall disclose annually any relations they may have that would cause a conflict of interest in performing their duties. If such conflict exists, the staff member shall remove themselves from any procurement in which there might be a conflict. Staff members shall at all times keep their supervisors notified of any conflicts and any changes in the status of a conflict.
- b. A staff member of Procurement Services must disclose any confidential information in which there would be private interest or personal gain.
- c. A staff member of Procurement Services may not authorize any purchase order, contract, or payment with any vendor in which there would be private interest or personal gain.

4. Disclosure System

All employees with approver, requisitioner, and shopper permissions in Techbuy and all financial managers of any organization code in Banner are required to disclose conflicts in the TTU Conflict of Interest disclosure system. Supervisors are responsible for ensuring that their employees have made the required disclosure and are responsible for mitigating the risk of any conflict in consultation with the TTU Assistant Vice President and Chief Procurement Officer.