

Philosophy of Public Procurement

The information in this handout is based upon LCCC's procurement policies and procedures as well as traditionally accepted governmental purchasing practices. College employees involved with expending funds has a fiduciary responsibility when public funds are being used. The below topics should be informative and help you better understand the procurement function.

Fiduciary Responsibility

The term **fiduciary** refers to a relationship in which one person has a responsibility of care for the assets or rights of another person. A fiduciary is an individual who has this responsibility. The term "fiduciary" is derived from the Latin term for "faith" or "trust." A fiduciary relationship exists with individuals who handle money or property for others.

Transparent Procurement

For any potential expenditure, regardless of the funding source, three questions should be asked prior to making the purchase:

- How would this purchase look to external constituents if placed under review or questioned?
- Is this expenditure necessary for a college employee to do his/her job for the College to conduct its normal business?
- Would this purchase pass the proverbial "front page" test?

The application of these questions is intended to help college employees in their decision-making with the understanding that all employees are encouraged to avoid the appearance of poor management of public funds. In the case of a questionable expenditure, the person or department should seek written approval from the Vice President of Administration and Finance Services rather than risk a purchase that may not pass the test. At a minimum, purchases for items that may be questionable or are not clearly defined via the guidelines shall have written approval by an individual at a higher level of authority.

Principles of Public Purchasing

Purchasing at LCCC strives for:

1. **Maximization of Competition:** Specifications are written to allow the purchasing process to be as transparent as possible for all qualified vendors.
2. **Equal and Fair Competition:** Each vendor is provided the same information regarding product or service needs/specifications and their responses (such as price quotations) are kept confidential until the transaction is completed.
3. **Best Value at the Lowest Price:** The purchase must be made at the lowest possible price for the product or service that best meets the needs of the college.

Philosophy of Competition

Competition is defined as the written process afforded to two or more vendors who desire to secure the business of the College by the offer of the most favorable terms as to price, quality, delivery and/or service.

The process of competitive bidding is the most impartial method for obtaining competitive offers from vendors. This assures us, as well as the public, that LCCC is paying a fair and reasonable price for a product or service. All qualified potential vendors are to be given equal opportunity to submit an offer and to do business with the college.

Fostering competition is reflected in the way specifications are written in searching for new sources of supply and in communications with prospective vendors. Transparent and competitive specifications are never restrictive, never manufacture specific and shown no hint of favoritism.

Ethics

The public demands that we spend their tax dollars wisely and responsibly. We hold the public trust in spending their tax dollars. Therefore, we must have excellent ethical standards. All purchasing activities must be conducted with integrity and honesty; i.e., trustworthiness and incorruptibility to a degree that a person is incapable of being false to a trust. We must be responsible and fair in our conduct when purchasing goods and services.

LCCC procurement policies and procedures ensure responsive and responsible conduct in its purchasing activities. Politics and favoritism have no place in procurement because it leads to improper and unethical practices. We hold the public trust.

It is illegal by Wyoming statute and LCCC policy to accept gratuities, bribes, kickbacks, etc. Some other unethical and illegal practices include favoritism toward a particular vendor or have a conflict of interest by involving oneself in the purchasing decision process. A Disclosure of Conflict of Interest may be required from an employee or a member of the Board of Trustees. You will do irreparable harm to your professional status as well as cause a poor reflection on LCCC's ethical standards when you accept gratuities, bribes, kickbacks, etc. In other words "Just Don't Do It."

Code of Ethics

We believe in the dignity and worth of services rendered by LCCC and the social responsibilities assumed as a trusted public servant.

Is governed by the highest ideals of honor and integrity in all public and personal relationships, in order to merit the respect and inspire confidence of LCCC and the public being served.

We believe that personal profit, gain or purpose that is obtained through misuse of public or personal relationships is dishonest and not tolerable.

Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.

We believe that a college employee engaged in a procurement activity should at no time or under any circumstances accept directly or indirectly gifts, gratuities, or other things of value from suppliers.

Seeks and dispenses no personal favors.