STAFF REPORT

MEETING DATE:	**10/23/12**
SUBJECT:	**Approve Conflict of Interest Code**
AGENDA ITEM:	**5-5**
STAFF CONTACT:	**Dave Wallace**

STAFF RECOMMENDATION:
It is recommended that the board amend the agency's Financial and Accounting Policy and Procedures Manual (manual) by adding sections 203 thru 206 as attached.

DISCUSSION:
Government Code requires state and local governments to adopt and promulgate a conflict of interest code. The agency has addressed this requirement in the manual with sections: (203) General Business Conduct and Values; (204) Compliance with All Laws, Rules and Regulations; (205) Conflict of Interest; and, (206) Ethical Standards in Bidding, Negotiations and Performance of Awards.

ALTERNATIVES:
The board may elect to modify the conflict of interest provisions.

OTHER AGENCY INVOLVEMENT:
The Technical Advisory Committee (TAC) concurs with the staff recommendation. The County Board of Supervisors is responsible for review and approval of the code.

FINANCING:
There is no financial impact.

Daniel S. Little, AICP, Executive Director

Attachments: Letter from Clerk of the Board of Supervisors
Draft Financial and Accounting Policies and Procedures Manual sections 203, 204, 205 and 206

Shasta County

CLERK OF THE BOARD OF SUPERVISORS
A DIVISION OF THE ADMINISTRATIVE OFFICE
LAWRENCE G. LEES, CEO/CLERK OF THE BOARD
Glenda K. Tracy, Chief Deputy Clerk of the Board

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July 9, 2012

Executive Director Dan Little
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

Re: Conflict of Interest Code

Dear Mr. Little:

Shasta Regional Transportation Agency (SRTA) is a local transportation commission established pursuant to Government Code section 29335. As such, SRTA qualifies as a "local government agency," as defined in Government Code section 82041. As a local government agency, SRTA is required to adopt a conflict of interest code (pursuant to Government Code section 87300).

Pursuant to Government Code section 87303, SRTA's conflict of interest code shall be approved by the "code reviewing body." The Board of Supervisors is the code reviewing body for any local government agency (other than a city agency), with jurisdiction wholly within the County.

Your conflict of interest code must state the designated employees and the reporting classifications. You may request the Board of Supervisors, in your proposed conflict of interest code, to permit the filing of the Statement of Economic Interest forms (Form 700) in your office, or you may request that the original be filed with the Clerk of the Board, with a copy in your office.

Please discuss this at an SRTA meeting at your earliest convenience and submit your proposed code, with a copy of the SRTA board meeting minutes, to my office and we will take it to the Board of Supervisors for their review and possible approval. In the meantime, without a conflict of interest code, all SRTA staff and board members must submit an "assuming office" form with Shasta County.

Thank you.

Very truly yours,

Glenda K. Tracy

Glenda K. Tracy
Chief Deputy Clerk of the Board of Supervisors

203. General Business Conduct and Values

203.1. The members and employees of the agency are required to observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities. As representatives of the agency, they will practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. Management and employees are expected to communicate the agency's ethical values by example.

1) A code of ethics outlining broad ethical principles and values. The values of the agency are:

    a) A commitment to the public good;

    b) Accountability to the public;

    c) Commitment beyond the law;

    d) Respect for the worth and dignity of individuals;

    e) Transparency, integrity and honesty;

    f) Responsible stewardship of resources; and

    g) Commitment to excellence and to maintaining the public trust.

2) All staff and board members of the agency will act with honesty, integrity and openness in all dealings as representatives of the agency. The agency promotes a working environment that values respect, fairness and integrity.

3) The agency has a clearly stated mission and purpose, approved by the board, in pursuit of the public good. All of its programs support that mission and all who work for or on behalf of the agency understand and are loyal to that mission and purpose. The mission is responsive to the constituency and communities served by the agency and of value to society at large.

4) The agency is a responsible steward of the funds received and ensures all spending practices and policies are fair, reasonable, and appropriate to fulfill the mission of the agency and all financial reports are factually accurate and complete in all material respects.

204. Compliance with all Laws, Rules and Regulations

204.1. All board members, employees and consultants involved with daily operations of the agency will comply with all laws, rules and regulation prescribed by a government in law, code, policy and procedure manuals, contracts and grant agreements.

204.2. The agency will not enter into any agreement that creates a risk that all laws, rules and regulations cannot be followed.

204.3. The agency will terminate any grant agreements or vendor contracts in which the grantor or vendor requests or instructs the agency to perform an illegal or unethical act.

205. Conflict of Interest

Introduction: Conflicts of interest occur when a conflict exists between the public interest and the private monetary interest of the public official or employee.

205.1. The following policy ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recuse or other means. No board member, employee or consultant involved with daily operations of the agency may:

1) Engage or participate in a business or transaction, including outside employment, or have a direct or indirect interest that is incompatible with, or that would tend to impair their independent judgment in the proper discharge of their agency responsibilities;

2) Solicit or accept a gift from anyone who has an interest in any project within the board member's or employee's responsibility;

3) Use information about the agency's affairs for his/her own or others' financial interests.

4) Ask or permit agency-owned vehicles, equipment, facilities, materials, or property to be used for his/her own personal convenience or profit, except when this property is permitted for the employee's or board member's use when conducting agency business;

6) Use his/her position for personal financial benefit or that of an immediate family member (spouse, child or dependent relative living in his/her household) or associated business (business owned by a board member, employee or member of one's immediate family or where any one of them works or serves as a board member, director or compensated agent);

7) Accept a fee or honorarium for an article written, appearance or speech made, or participation at an event, in one's official agency capacity;

8) Engage in any political activity while on duty or during any time one is paid to be on duty for the agency that violates the conditions of any grant contract in effect with the agency;

9) Use agency funds, supplies, vehicles, or facilities for political activity;

10) Solicit or accept anything of value, including a gift, loan, political contribution, reward or promise of future employment based on any understanding that the board member's or employee's official action or judgment would be or had been influenced by it. A "gift" is generally anything of value given for less than its value.

11) Vote on, or otherwise participate in, any matter on behalf of the agency if he/she has an associated business, or an immediate family member has a financial or personal interest in the matter greater than that of any other segment of the population, including the sale of real estate, material, supplies, or services to the agency. If the participation is within the scope of the board member's or employee's official responsibility, he/she must give the board a written explanation of the nature and extent of one's interest. This policy prohibits immediate families and associated businesses from entering into private contractual agreements with the agency.

12) Employees and former employees shall not use confidential information for actual or anticipated personal gain or for the gain of any other person

205.2. Former board members or employees are prohibited from:

1) Accepting compensation from the agency to appear before the agency or board for the first year after terminating employment or office;

2) Representing anyone, other than the agency, in any matter in which they participated personally and substantially while in agency service;

3) Disclosing or using confidential information gained in their position at the agency for their own financial gain or that of others; or

4) Working for a party under contract, other than the agency, for one year after the contract is signed, if they participated substantially in the contract negotiations or award.

5) Employees who participate in selection, review or approval or who have influence over selection or approval in the purchasing process should not become employees of a firm contracting with the agency. An employee should not act as a principal or as an agent for a firm that does business with the agency for six months after the termination with the agency.

205.3. A Conflict of Interest Form must be completed as required by government code by all designated positions. Designated positions are defined below as well as the disclosure category. Members have a responsibility to disclose actual or potential conflicts before their appointment.

Designated Position	Disclosure Category
Board Member	1
Executive Director	1
Planner	1
Senior Accountant	1
Consultants*	1

Disclosure Category

1. All investments and business positions in business entities, sources of income, and interests in real property.

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure in the Conflict of Interest Code, subject to the following:

Outside counsel for the agency or his designee may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope, and thus is not required to fully comply with the disclosure requirements of this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement to the extent of disclosure requirements. The determination of outside counsel or his designee is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

206. Ethical Standards in Bidding, Negotiation and Performance of Awards

206.1. It is the intention of the agency to maintain the highest level in ethics in the bidding, negotiation and performance of awards. At no time shall the agency:

1) Award or commit to any contracts with vendors or sub- consultants prior to an award without all competitive bidding procedures and guidelines being followed;

2) Accept a grant where the act of a grantor specifying a particular vendor or sub- consultant in the award would violate the contract awarding policies of the agency;

3) Consider bids from vendors or consultants who were material participants in the proposal preparation; or

4) Consider bids from vendors and consultants who participated in strategic planning sessions (other than providing information).