INITIATING A SUPPLIER RELATIONSHIP

Our district depends on quality suppliers and agents to supplement internal resources. Suppliers, subcontractors, agents, and other types of vendors provide products and services that contribute in whole or in part to our district’s output. When properly managed, the contribution of these suppliers enables us to accomplish our goals.

When you are required to supervise or work with a supplier on a project or job task, you must ensure that you do not have any financial or other beneficial interest, and that the relationship with the supplier serves the best interests of our district.

You should follow district policies or guidelines that are specific to the type of purchase you are making. Depending on the circumstances, district policies may be more or less restrictive; and provide the “dos and don’ts” for the procurement process.

“Perception” is key. Stay free from any perceptions of favoritism. You can accomplish this by not accepting any special favors, gratuities or gifts from bidding suppliers. Other suppliers in the process, your fellow employees and regulating agencies must all have no doubt that you have been impartial. If you have any past or present relationship to the bidding suppliers, make it known to an authority. You may be asked to recuse yourself from the contracting process to avoid the perception of conflict of interest – even if you know that your decision would be impartial. The final choice of suppliers must be made solely on price, quality, service and our district’s need.

As a rule, a supplier should not be encouraged to commence work without receipt of a valid purchase order executed by an authorized contracting officer of the District. The district has no responsibility or liability for products or services delivered or performed prior to issuance of a purchase order.

YOUR ONGOING RELATIONSHIP

As you work with any supplier, manage the flow of confidential information. Recognize that only information necessary to the supplier’s part in the job should be made available. Care must be taken to avoid providing suppliers with access to privileged data. No matter how much you trust an individual supplier to honor our confidentiality expectations, it is essential that you follow our district policy for protecting privacy and confidentiality.

As an employee involved with a project, you should monitor the supplier’s performance and the quality of work that is delivered. Our district may be held responsible for an inferior process, poor work quality or other violations done by a supplier.

The exchange of gifts and gratuities in business relationships can be especially problematic. Be consistent with our district policies and accepted business practice. Avoid situations where gift acceptance would be construed as a bribe or kickback. Such circumstances could also cause damage to our district’s reputation.

Lastly, be sure that specific requirements of a job or task are being met or exceeded by the supplier. Report identified inaccuracies to your supervisor immediately. Any fraud suspicions should be reported to the Office of Inspector General.

Q&A

I know of a supplier that has a great reputation that would be quite helpful in an upcoming project. How can I ensure that they are considered for the job?

Notify the supervisor of the project or the Procurement Department. Our district wants the best product, service, and price. Recommendations of new resources can help make the best available to us.

I would like to recommend a supplier, but my niece works at the company. Does this disqualify them from the bidding process?

No, but you must disclose your personal relationship beforehand. The supplier can still be considered; as long as your responsibilities do not include:
1) Sole responsibility for choosing the supplier, or…
2) Supervising the quality of work provided by the supplier during the job or project.

I have discovered that a supplier is submitting billings with some unlikely combination of services described. What should I do?

Report your findings to your supervisor without delay. Your discovery could in fact indicate an accurate reporting of some unusual circumstances, or you may have detected a pattern of fraud. If you suspect that fraud is occurring, you should immediately report your concerns to the OIG for further investigation.

A prospective supplier seems particularly cautious about doing business with our district and has expressed concerns about receiving payment. How can we overcome this?

Be polite but direct. Explain that although there are legitimate reasons to be cautious, the district has made great improvement, and can be trusted. Talk about our core values and ethics policy, which is an integral part of the way we are committed to conduct business.
Q&A
Continued...

A contractor that our district utilizes is doing a fabulous job of moving items off the “to do” list quickly. I am beginning to suspect that he may be falsifying his service delivery records. I have no proof, only suspicions. What should I do?

Report your suspicions to the Office of Inspector General by calling the Fraud Hotline. You obviously know enough to realize what it takes to accomplish this task under normal circumstances. If the agent is making things look “too easy”, there must be a reason. It is best to have the contractor’s methods investigated now rather than waiting for a problem to develop. If there is no wrongdoing, they should be willing and able to demonstrate that they are not engaged in any fraud against the district.

“It is difficult, but not impossible, to conduct strictly honest business”
Mahandas (Mahatma) Gandhi