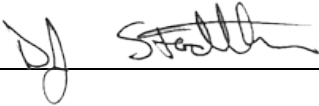




Effective Date: March 23, 2023	Supersedes: N/A
APPROVED: 	DJ Stadler Executive Director
	Policy Version: 1

PROCUREMENT ETHICS AND STANDARDS OF CONDUCT POLICY

1.0 PURPOSE; RELATIONSHIP TO LAWS AND OTHER POLICIES

This Procurement Ethics and Standards of Conduct Policy (“Policy”) prescribes ethical standards applicable to transactions undertaken by the Virginia Passenger Rail Authority (“VPRA”) as authorized by Va. Code § 33.2-287 *et seq.*

This Policy is intended to accomplish the following goals:

1. promote integrity, transparency, competitiveness and fairness in VPRA’s procurements and contracts;
2. strictly avoid any conflict of interest or even the appearance of a conflict of interest in VPRA-contractor relationships;
3. ensure that procurement activities (i) are in compliance with all federal, state, and local laws, (ii) adhere with VPRA’s policies and procedures, and (iii) are administered in accordance with the highest standards of ethical and legal conduct;
4. make certain that funds and resources of the Commonwealth and VPRA funding partners are used with extreme care, guided by prudent judgment and good business practices; and
5. create an operating environment that promotes open and honest communications, and encourages raising ethical concerns without fear of retribution or retaliation.

This Policy neither purports to address every situation that may arise in the context of VPRA’s procurements and contracts, nor to mandate a particular decision or determination by VPRA. Nothing contained in this Policy is intended to limit, modify, or otherwise alter the applicability or effect of other relevant federal, state, and local laws to include the *Virginia State and Local Government Conflict of Interests Act* (Va. Code § 2.2-3100 *et seq.*) (“VCOIA” or the “Act”). All such laws, rules, and regulations shall apply in their normal manner irrespective of this Policy. Where applicable, this Policy is to be read and construed in conjunction with the Standards of Conduct policy contained within the *Virginia Passenger Rail Authority Human Resources (HR) Policy Manual*.

2.0 DEFINITIONS

As used herein:

“Immediate Family Member” means (i) a spouse; (ii) adult children and stepchildren; (iii) siblings and stepsiblings; (iv) parents and stepparents; (v) a partner; and (vi) any person who resides in the same household as the VPRA Representative and who is a dependent of the VPRA Representative.

“Board” means the Board of Directors of VPRA.

“Director” means a member of VPRA’s Board.

“Nominal” means a value of less than \$20.00.

3.0 AUTHORITY AND APPLICABILITY

This Policy constitutes a supplemental guidance document developed and disseminated under Section 1.5 of the *Virginia Passenger Rail Authority Procurement Rules* adopted by the Board on May 23, 2022. It governs all business activities of the VPRA and applies to all Directors, employees, supervisors, managers, and executives engaged in, or responsible for procurement, contracting, and contract administration on behalf of VPRA. Consultants, contractors, or other individuals who participate in the VPRA procurement process are also required to be aware of and abide by this Policy. As used herein, the foregoing individuals shall be referred to as “VPRA Representatives,” in the plural or “VPRA Representative,” in the singular.

4.0 FEDERAL FUNDING REQUIREMENTS

As a recipient of financial assistance from the United States Department of Transportation (“U.S. DOT”), VPRA is, among other things, required to maintain written standards of conduct covering conflicts of interest and governing the actions of individuals involved in the selection, award, and administration of contracts. This Policy is adopted in compliance with the written standards of conduct requirements contained within U.S. DOT regulations, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 C.F.R. Part 1201, which incorporates by reference U.S. OMB regulatory guidance, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 C.F.R. Part 200.

5.0 PROHIBITION ON CONFLICTS

No VPRA Representative may participate in the selection, award, or administration of a transaction or contract if the VPRA Representative’s private affairs or financial interests are in conflict, or could result in a perception of conflict, with the VPRA Representative’s duties or responsibilities in such a way that: (i) the VPRA Representative’s ability to act in the public interest could be impaired or (ii) the VPRA Representative’s action or conduct could undermine or compromise the public’s confidence in VPRA or its procurements. For purposes of this Policy, the following circumstances shall be deemed a conflict of interest:

5.1 Outside Interests

- A transaction or contract between VPRA and a VPRA Representative or their Immediate Family Member.
- A transaction or contract between VPRA and an entity in which a VPRA Representative or their Immediate Family Member has a financial or other interest or where such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of such entity.

5.2 Outside Activities

- A VPRA Representative or their Immediate Family Member competing with VPRA in the provision of services or in any other transaction or contract with a third party.
- A VPRA Representative or their Immediate Family Member having a financial interest in, or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or

consultant to, an entity or individual that competes with VPRA in the provision of services or in any other contract or transaction with a third party.

5.3 Gifts

- A VPRA Representative or their Immediate Family Member accepting gratuities, favors or anything of monetary value (other than items of Nominal value) from any individual or entity that (i) does business with or seeks to do business with VPRA, or (ii) has received, is receiving, or is seeking to receive a loan, grant or other financial assistance from VPRA.

6.0 STANDARDS OF CONDUCT

It is imperative that VPRA Representatives avoid real or perceived conflicts of interest throughout the entire procurement process. The following standards apply to all procurement activities undertaken by VPRA Representatives:

- Do not solicit or accept any favors, gifts or benefits from contractors, suppliers, vendors, firms or persons representing any of these entities, or other parties that are doing business, or seeking to do business, with VPRA. Such gratuities, even of seemingly low value, can give rise to a conflict of interest or the appearance of a conflict of interest.
- Do not use your job to obtain benefits, directly or indirectly, for yourself or anyone else. This includes members of your family and business associates.
- Conduct all VPRA business in an honest and impartial manner. Our core values and the additional principles of integrity, stewardship, and commitment are essential to earning and maintaining the public's trust.
- VPRA's contracts for goods and services are for official use only. VPRA Representatives are not to use VPRA's buying power and contracts for personal purchases.
- Consistent with the requirements of law, policy and common sense, maintain appropriate confidentiality in both written and oral communications. Confidential information that employees receive through government procurement processes must not be used by an employee for the purpose of furthering any private interest or as a means of making personal gains. For the avoidance of doubt, VPRA Representatives may not tell outside parties the prices, terms, or conditions quoted by other suppliers.
- Immediately inform the Director of Procurement when procurement and contracting problems (or potential problems) arise which could cause undue expense or waste, discredit, or embarrassment to VPRA.
- Resolve issues effectively and ethically, while refraining from exercising any pressure on staff that could be perceived as trying to apply inappropriate influence.
- Become familiar with all laws that pertain to procurement transactions. Ensure you are aware of current laws and that contracts comply with these laws. Consult with VPRA's General Counsel if you have any questions.
- Act for the benefit of VPRA and its funding partners. Ensure public money is spent wisely and is consistent with applicable federal, State, and local laws, regulations, policies, and procedures.
- With respect to transactions that you undertake on behalf of VPRA, account accurately for money paid and property/services received and demonstrate a standard of reasonable care and skill that promotes public trust and respect.

7.0 DISCLOSURE

VPRA Representatives must continually evaluate their involvement with any real or perceived conflicts of interest and have a duty to promptly disclose such conflicts. Factors VPRA Representatives should consider when evaluating conflicts of interest include, but are not limited to, the following:

- Do I have a personal or private interest that could possibly be perceived to conflict or actually conflicts with my VPRA duties?
- How might my involvement in the decision or action be viewed by others? What if my involvement was questioned publicly or appears in the news?
- Does my involvement in the decision appear fair and reasonable in all circumstances?
- Could there be benefits for me now or in the future that could cast doubt on my objectivity?
- Have I made any promises or commitments that may appear to be, or are, based on my personal interests?
- Do I stand to gain or lose from the proposed action or decision?

If these or other factors suggest that you have a real or perceived conflict of interest, you must promptly notify the Director of Procurement or, if in doubt about a particular matter, seek guidance from the Director of Procurement. Having a conflict of interest is not necessarily wrong, but failing to disclose it is wrong and can have serious consequences for the VPRA Representative as addressed in Section 10.

8.0 MANAGEMENT OF CONFLICTS

Upon disclosure or discovery of a real or perceived conflict of interest, the Director of Procurement or his/her designee will conduct an investigation of the facts and take such action as is necessary to neutralize or mitigate the conflict. These measures may include any of the following:

1. reporting the conflict of interest and all related facts to the Executive Leadership Team and/or the Board;
2. excluding the VPRA Representative from a procurement activity (this may include excluding the VPRA Representative from sitting on a selection committee or technical advisory committee, negotiating the contract, awarding the contract, or administering the contract);
3. recommending to the Executive Leadership Team that the VPRA Representative be excused from the board meeting or portion of the board meeting where the VPRA Representative will act on the matter; and
4. disqualifying an individual or firm from participating as a bidder/offeror in a procurement.

In limited circumstances, and only where a permissible exemption exists under policy or law, the Director of Procurement may waive the conflict of interest.

9.0 STATE LAW PROVISIONS

VCOIA governs business activities undertaken by officers and employees of the Commonwealth, which includes procurements undertaken by VPRA. Consistent with this Policy, VCOIA is grounded on the notion that government officials owe paramount loyalty to the public and that their decisions must be unbiased and transparent. The law includes detailed provisions relative to personal interests in transactions and contracts and also prohibits certain conduct and certain gifts. Given

its many complex definitions, VCOIA can be difficult to navigate, especially for those who are new to public service. Nevertheless, VPRA Representatives are responsible for familiarizing themselves with the law and fully complying with its requirements. A violation of VCOIA can result in civil and criminal penalties, so please seek guidance in the event you have any questions or concerns about a particular matter. Questions or concerns can initially be directed to the Director of Procurement, and you are also free to seek a written opinion from the Attorney General or a formal opinion or written informal advice from the Virginia Conflict of Interest and Ethics Advisory Council. VPRA will periodically provide training on the requirements of VCOIA to its officers and employees.

10.0 VIOLATIONS OF POLICY OR LAW

Violations of this Policy or applicable law may result in disciplinary action up to and including termination, and/or referral to appropriate enforcement agencies. Consultants, contractors, or other individuals are subject to applicable laws and contractual requirements.

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