I. Purpose

This section provides the policy and procedures for the University's use of its own employees, outside the employer-employee relationship, as suppliers of goods and services (including consultants, independent contractors, and employee-owned businesses).

II. Definitions

Definitions of terms used in this policy can be found in UC Business and Finance Bulletin (BFB) BUS-43, Part 1 and Part 7.

III. Policy

A. The University may purchase or lease goods or contract for services under the specific circumstances described in BUS 43, Part 7, II.C.

1. California Public Contract Code, Sections 10515 through 10524, restricts the way UC does business with employee-vendors who are former UC employees (see Section 330-05).

2. Student Employee: The University may purchase or lease goods from or contract for services with a student employee if the payment for additional campus activities or engagements is outside of the scope of their primary university employment (per Public Contract Code, Section 10516), as determined by the Director--Materiel Management.

B. The Political Reform Act of 1974 (Section 81000 through 91014) prohibits an employee from making or participating in the making of a decision if a financial conflict of interest exists. Requirements in the University’s Conflict of Interest Code shall be observed in purchases of goods and services by the University (see Section 380-16).

C. The individual identified in DA 0777 has the authority to approve other exceptions to this policy, within constraints imposed by the Political Reform Act of 1974 (Section 81000 through 91014) when there are unusual or extenuating circumstances.

IV. Procedures

A. Campus or UCDHS Department contracting the goods or services:

1. Requires the vendor to certify, complete, and submit the “Report of Proposed Transaction Involving Potential Conflict of Interest” form when making a quotation or a proposal, or upon learning that one has been made, and an employee-vendor relationship exists.

2. Submits the Purchase Requisition (PR) or Agreement Request with all required supporting documentation, in accordance with University purchasing procedures and
PPM Sections [380-70](Consultant Agreements) and [380-71](Independent Contractor Agreements).

B. Purchasing/Business Contracts Office or Health Systems Contracts:

1. Reviews the PR document or Agreement Request and all required documentation.
2. Notifies the department of approval or denial of the request involving employee-vendor relationships.
3. Issues the Purchase Order (PO) or Agreement, which specifies the Terms of Agreement.

C. Campus Director—Materiel Management and UCDHS Manager, Materiel Management or UCDHS Director, Health System Contracts

1. If necessary, inspects the business premises and records of a prospective employee-vendor or a near relative-vendor.
2. Approves or disapproves the proposed purchase.
3. Fully explains reasons for any disapproval actions to the requesting department.

D. The vendor must submit a recertification of the "Report of Proposed Transaction Involving Potential Conflict of Interest" form with each subsequent quotation or proposal prior to the extension/renewal of the terms of an existing contract.

V. Further Information

Additional information is available from Business Contracts, Materiel Management (Davis campus); (530) 752-0370, [http://purchasing.ucdavis.edu/about/index.cfm?opt=1](http://purchasing.ucdavis.edu/about/index.cfm?opt=1), or Health System Contracts (Sacramento campus); (916) 734-3820, [http://www.ucdmc.ucdavis.edu/healthsystemcontracts/aboutus.html](http://www.ucdmc.ucdavis.edu/healthsystemcontracts/aboutus.html).

VI. References and Related Policies


C. UC Office of the President

   a. Part 1, Definitions.
   b. Part 7, Employee Vendor Relationships.

D. UCD Policy and Procedure Manual (http://manuals.ucdavis.edu/PPM/about.htm):

2. Section 380-16, Conflict of Interest.
3. Section 380-70, Consultant Agreements.
4. Section 380-71, Independent Contractor Agreements.