



The City of Sterling Heights has established and adopted Public Services Ethical Principles for all elected officials, employees, Board and Commission members, directors and officers to abide by. Similarly, the City expects its vendors, consultants, contractors, agents, and their employees to respect and adopt this commitment to integrity, fair, open, and transparent procurement practices by complying with the standards as adopted and set forth below.

### The Ethics of Purchasing

Employees authorized to make purchases for the City of Sterling Heights are entrusted with funds that belong to the public. These funds must be expended only for purchases specifically related to the delivery of governmental services to the citizens, as appropriated in the budget adopted by the City Council. The City Council acknowledges this public trust, which is delegated to the City administration, through the adoption of a purchasing ordinance. The trust delegated to the City administration has been earned and could be lost as a result of purchasing practices that are recognized as unethical. Employees should be familiar with Section 2-204 of the Purchasing Ordinance, which emphasizes a purchasing system of quality, integrity, and best value for the taxpayer's dollar.

#### Section 2-204. INTENT

It is the intent of this article to maximize the purchasing power and value of public funds through purchase procedures and policies that maintain a system of quality and integrity and promote efficiency, effectiveness, and fairness in public purchasing. It is the goal of this article to acknowledge the obligation to city taxpayers to maximize the purchasing power of public funds to gain the best value for its residents and businesses.

#### **Relationships with Vendors**

Employees involved in the purchasing process may sometimes find themselves in a friendly relationship with a vendor. This relationship may result from longtime service to the City by the vendor; it may be a social nature in which an employee comes in contact with the vendor outside of the work environment; or it may be one of many different situations that result from doing business with a particular vendor. The employee must be extremely careful in these circumstances not to jeopardize his or her purchasing authority by allowing personal relationships to affect the competition of the solicitation process.

The City has adopted a resolution outlining ethical principles for City Officials and Employees. Summarized below are sections of this resolution pertaining to Purchasing.

#### **Accepting Gifts and/or Favors From Vendors**

Employees involved in the purchasing process should never accept a gift or a favor from a vendor in accordance with the following ethical standards outlined the City Council:

## 5. PERSONAL GAIN FROM THE PERFORMANCE OF PUBLIC DUTIES

Except for official compensation, public servants should neither seek nor accept any form of payment, gratuity or other personal benefit relating to the performance of their responsibilities.

A. Performance of duty – Public servants should neither seek nor accept any form of personal benefit for the performance of their duty to deal with a matter promptly, efficiently or fairly or for the exercise of appropriate but discretionary representational authority.

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C. Personal benefits should never appear to be necessary – Public servants should not engage in any conduct, which could create in the mind of a reasonable observer the belief that persons will receive better or different service if they provide personal benefits or political support to a government official.

Further, employees should strictly follow the guidelines set out in the purchasing ordinance under Section 2-227 which reads as follows:

### 2-227. OFFICERS AND EMPLOYEES NOT TO HAVE INTEREST IN PURCHASE ORDERS OR CONTRACTS; ACCEPTANCE OF REBATES, GIFTS AND THE LIKE.

(A) Any purchase order or contract within the purview of this article in which the Purchasing Manager or any officer or employee of the city is financially interested, directly or indirectly, shall be void, unless the City Council determines by a 5/7 majority vote before the execution of a purchase order or contract that such action is in the best interest of the city, subject to Chapter 2, Article IV of this Code.

(B) The Purchasing Manager and every officer and employee of the city are expressly prohibited from accepting, directly or indirectly, from any person to whom any purchase order or contract is or might be awarded any rebate, gift, money or anything of value whatsoever, except as permitted by the administrative orders or policies relating to same, or where given for the use and benefit of the city.

### Undue Bias or Favoritism

Employees involved in the purchasing process should not show any undue bias against or for a vendor participating in the solicitation process. All decisions must be made in a fair manor, and should reflect the following ethical standards outlined by the City Council:

## 3. BIAS OR FAVORITISM

Public servants should exercise the powers and prerogatives of office fairly without prejudice or favoritism. It is improper to use public authority to reward relatives, friends or political supporters or to hinder or punish enemies and opponents.

## **Conflict of Interest**

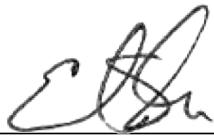
Employees involved in the purchasing process should avoid any and all perceptions of a conflict of interest, and employees involved in the purchasing process should disclose any conflicts of interest consistent with the following ethical standards outlined by the City Council:

### **1. CONFLICTS OF INTEREST**

Public servants should safeguard their ability to make independent, objective, fair and impartial judgments by scrupulously avoiding financial, social and political relationships and transactions, which may compromise or give the appearance of compromising their objectivity, independence or honesty.

- A. Disclose of financial conflicts of interest – Public servants subject to disclosure of financial interest requirements should comply with both the letter and spirit of the regulations and not seek to circumvent them by evasion strategies or legalisms.
- B. Avoidance of financial conflicts – Despite laws that permit financial conflicts, public servants should make all reasonable efforts to avoid transactions which may compromise or give the appearance of compromising their objectivity, independence or honesty.
- C. Benefits intended to influence – Public servants should not accept benefits of any sort under circumstances in which it could be reasonably inferred that the benefit was intended to influence them in the performance of their public responsibilities.
- D. Duty to report improper offers – When the possibility of improper motive requires refusal of a gratuity, the official should firmly warn the person about bribery laws and improper influence; if the attempt to unduly influence is clear, the matter should be reported to law enforcement authorities.
- E. Appearance of undue influence – Regardless of the actual intent of the provider or recipient, public servants should not accept benefits of any sort under circumstances, which would create in the mind of a reasonable observer the belief the benefit, may influence them in the performance of their public responsibilities.
  - i. Earned income from persons directly affected by actions or decisions – Public servants should avoid engaging in financial relationships that might reasonably be construed to affect their judgment or actions, especially from lobbyists or other persons who are likely to be affected directly by their actions or decisions.
  - ii. Gratuities from persons directly affected by actions or decisions – Public servants should refuse to accept any gratuities, which may reasonably be construed to affect their judgment or actions, especially from lobbyists or other persons who are likely to be affected directly by their actions or decisions.
  - iii. Campaign contributions from persons directly affected by decisions – Public servants should be cautious about accepting campaign contributions, which may reasonably be construed to affect their judgment or actions, especially from lobbyists or other persons who are likely to be affected by their decisions.
  - iv. Personal relationships with persons directly affected by decisions – Public servants should be cautious about accepting campaign contributions, which may reasonably be construed to affect their judgment or actions, especially from lobbyists who are likely to be affected directly by their decisions.

**Acknowledgement from Purchasing Management**



Erik Skurda, Purchasing Manager

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