

BLUE RIDGE ELECTRIC MEMBERSHIP CORPORATION
NEW

Policy Statement Number: **2-6B1**

SUBJECT: Conflict of Interest – Procurement and Contract Administration

I. OBJECTIVES

- A. In addition to Policy Statement Number 2-6B and to provide specific guidance with respect to officers, employees and Board members, where applicable, in the Cooperative's procurement and contract administration activities. To provide specific guidance in the performance of such duties and responsibilities for the Cooperative and assure the necessary high standards of integrity, impartiality and conduct to maintain public confidence in the operations of the Cooperative in the handling of relationships between vendors, contractors and the Cooperative. Officers and employees are also subject to the Operational Policy pertaining to business ethics.
- B. To assure compliance by Board Members and Director candidates with Article III, Section 3.02 and 3.08 of the Bylaws of the Cooperative relating to a Director's business and financial interests.

II. POLICY CONTENT

This policy establishes the Board level requirements that the Cooperative will use to govern procurement and contract administration conflicts of interest. The policy further establishes the procedures for the disclosure and monitoring of family and business relationships among Board members, officers and employees that would give rise to procurement and contract administration conflicts of interest.

- A. Conflict of Interest: In the terms of this policy, conflict is defined as a situation that may exist if an activity, gift or trip influences or has the appearance of influencing the ability of an officer or employee to exercise objectivity or affects a person's ability to perform his or her procurement or contract administration responsibilities in the best interests of the Cooperative including oversight of such activities by the Directors. It includes actions, gifts, trips, etc. that do or might lead the Director, officer or employee to select or favor selection of a particular contractor in procurement or contract administration. The Cooperative shall require submission of conflict of interest statements from Board members, officers and certain key employees annually. (See addendums to this policy)
- B. Potential Areas of Conflict in Procurement and Contract Administration: Dealings with prospective and actual vendors or contractors included under this Conflict of Interest - Procurement and Contract Administration Policy include, but are not limited to, the following services: 1) construction materials, 2) vehicles and equipment, 3) outage restoration contractors, 4) cleanup and debris removal, 5) restaurants, supermarkets or catering, 6) lodging, and 7) miscellaneous equipment and supplies.
- C. Ethics Officer: The CEO shall appoint, and the Board shall approve, an Ethics Officer to be in charge of ensuring proper compliance with this policy.
- D. Requirement to Disclose: Board members, officers and employees shall be required to disclose any conflict or appearance of conflict to the organization annually or as necessary to the Ethics Officer. Conflicts shall constitute any activity that results in or has the appearance of personal gain. Personal gain is defined as and shall include but not be limited to gifts, gratuities, entertainment or anything else of significant value (e.g. financial payments, awards, loans, services, fees, etc.) Significant value is defined as \$100 over a 12 months period. Personal gain can also pertain to outside businesses of Directors, officers and employees and/or their family members.
- E. Procurement Disclosures: Where procurement may be funded by the federal government (FEMA), Board members, officer and employees should immediately disclose any conflict of interest or perceived conflict of interest to the Ethics Officer and refrain from participating in the selection, award or administration of that contract until a determination has been made by the Ethics Officer.

Conflict of Interest – Procurement and Contract Administration

- F. Gifts and Entertainment: No Board member, officer or employee may solicit or receive gifts, gratuities, entertainment or anything else of significant value (see II.A. above) given for the purpose of influencing the action of the Cooperative.

If at any time a Director, officer or employee has a conflict of interest or potential conflict of interest with the Corporation, the Ethics Officer shall notify General Counsel and make disclosure of the conflict or potential conflict, if necessary.

- G. Contract Administration: All contracts shall be administered to ensure full compliance with FEMA requirements up to and including meeting all required contract provisions, avoiding noncompetitive contracting practices and providing for full and open competition that includes processes to ensure minority/women owned firms are encouraged to compete, publishing Requests for Proposals, and denying cost plus contracting agreements.
- H. Compliance: For Board members, failure to comply with this policy could result in the removal of a director per the bylaws of this Cooperative. For employees, failure to comply with the requirements of this policy could result in disciplinary action up to and including termination.

III. RESPONSIBILITY

- A. Chief Executive Officer: It is the Chief Executive Officer's responsibility to provide assistance to the Board of Directors to assure compliance with this policy and to develop appropriate management policy relating to conflict of interest for guidance of employees.
- B. General Counsel: It is the responsibility of the Cooperative's General Counsel to give advice and counsel to the Nominating Committee and/or the Credentials and Election Committee regarding director candidate compliance with this policy and give advice and counsel to the Board members regarding Directors' or Directors' elect compliance with this policy.
- C. Board of Directors: It is the responsibility of the Board of Directors to review compliance with this policy and counsel with any Director as the situation requires. The Board shall also act to change the policy as necessary.

APPLICATION OF POLICY

Blue Ridge Electric Membership Corporation reserves the right, in its sole discretion, to interpret, deviate from, amend, modify, reduce or eliminate all or any aspect of this policy at any time.

This policy will be modified as necessary, to comply with applicable federal, state and/or local laws.

Date Adopted: October 27, 2016

Dates Revised:

Conflict of Interest

DIRECTOR/CANDIDATE/OFFICER STATEMENT

CERTIFICATE #1

I, _____, Director/Candidate/Officer of Blue Ridge Electric Membership Corporation, have read and am familiar with the provisions of Article III, Section 3.02 and Section 3.08 of the Bylaws of said corporation and also the provisions of Policy Statements Number 2-6B and 2-6B1. Pursuant to such Policy Statements, I hereby make this certificate and agree to comply with such provisions.

I certify that to the best of my knowledge and belief, I am not involved in any activity and have no outside interests that conflict or suggest potential conflict with the best interests of Blue Ridge Electric Membership Corporation.

During the term of my service for the Corporation, I agree to disclose to the General Counsel any future situation that might involve or appear to involve me in any conflict of interest with Blue Ridge Electric Membership Corporation.

Dated: _____

Signed: _____

Conflict of Interest

DIRECTOR/CANDIDATE/OFFICER STATEMENT

CERTIFICATE #2

I, _____, Director/Candidate/Officer of Blue Ridge Electric Membership Corporation, have read and am familiar with the provisions of Article III, Section 3.02 and Section 3.08 of the Bylaws of said corporation and also the provisions of Policy Statements Number 2-6B and 2-6B1. Pursuant to such Policy Statements, I hereby make this certificate and agree to comply with such provisions.

I certify that to the best of my knowledge and belief, I am not involved in any activity and have no outside interests that conflict or suggest a potential conflict with the best interests of Blue Ridge Electric Membership Corporation, except as follows:

During the term of my service for of the Corporation, I agree to disclose to the General Counsel any future situation that might involve or appear to involve me in any conflict of interest with Blue Ridge Electric Membership Corporation.

Dated: _____

Signed: _____