



*Expires – Upon issuance of LPP*

## Conflict of Interest Certification

### I. BACKGROUND

The Conflict of Interest Statement Certification (ADM-3043) was created to certify that a state officer or employee will not engage in any employment, activity, or enterprise which is clearly inconsistent, incompatible, in conflict with, or inimical to his or her duties. This certification is required for all employees that review, rank and rate project applications from local agencies for any federal or state funded program.

This Office Bulletin is being issued to complete follow-up actions required by the Division of Local Assistance in response to Caltrans Audits and Investigations Final Report of the Local Assistance Program dated January, 2010. This bulletin is to correct activities specifically related to finding #2 bullet # 2 of the report, which recommended that the Division of Local Assistance (DLA) update their Local Assistance Procedures Manual to require employees involved in project ranking and scoring to complete form ADM-3043 and monitor compliance.

### II. POLICY

49 CFR, Part 19.36 (b) (3) states grantees and subgrantees will maintain a written code of standards of conduct, governing the performance of their employees engaged in the award and administration of contracts. No employee, officer, or agent of the grantee, or subgrantee, shall participate in selection, or in award of administration of a contract supported by federal funds, if a conflict of interest, real or apparent, would be involved. Such a conflict arises when: (i) the employee, officer, or agent (ii) any member of his immediate family (iii) his or her partner (iv) an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

23 Code of Federal Regulation (CFR), Part 172.9(a) delegates to the local agency the preparation of written procedures for each method of procurement it proposes to utilize. However, the Department of Transportation (Department) DLA is responsible and accountable to the Federal Highway Administration (FHWA) for locally administered Federal-Aid projects, including delegated activities.

The Department has fiduciary responsibilities for state funded projects in accordance with California Government Code 13400, the Financial Integrity and State Manager's Accountability Act of 1983.

In response to the above requirements and other laws and regulations, the Department has issued policy under Deputy Directive *DD-09-R3* titled Incompatible Activities and Conflict of Interest. This directive is to ensure that California Department of Transportation (Department) employees do not willfully engage in any employment or activities that are illegal, that are or give the appearance of being incompatible or in conflict with their duties as State employees, that discredit their profession, the Department or the State, or that have an adverse effect on the confidence of the public in the integrity of government.



**III. PROCEDURE**

This office bulletin is issued to further assist with a specific procedure for implementing the Department’s policies regarding conflict of interest for both Headquarters and District Local Assistance (DLA) staff. ADM-3043 (attached) is to be completed annually by all employees that review, rank and rate project applications from local agencies for any federal or state funded programs. Forms must be signed by the employee and their respective supervisor. Signatures from the Acquisition Analyst and Contract Officer are not required for DLA staff who are not acting as a contract manager. Immediate supervisors shall keep copies of the signed ADM-3043. Additional information on conflict of interest is provided by the Division of Procurement on the intranet at: <http://admin.dot.ca.gov/pc/coi.shtml#1>. Also, instructions are included on the back of the ADM-3043 and an electronic version of the form is available on the Caltrans intranet at: <http://cefs.dot.ca.gov/forms/index.html>.

**IV. APPLICABILITY/IMPACTS**

This office bulletin applies to all staff soliciting bids, rating/ranking project applications, preparing documents, approving procurement documents, receiving goods/services, approving payment, and/or making the payment.

Compliance with this policy helps safeguard State and Federal funds and the public’s interest. Non-compliance with this policy could result in the loss of delegated purchasing or contracting authority for the individual or the entire Department.

Recommended: Original Signed By \_\_\_\_\_ 9/27/10  
April Nitsos, Committee Chair Date

Approved: Original Signed By \_\_\_\_\_ 9/27/10  
Kevin Pokrajac, Chief Date  
Office of Special and Discretionary Programs

Attachments:

- 1) Attachment – Conflict of Interest Statement Certification/ADM-3043