

	ADMINISTRATIVE POLICY AND PROCEDURE	
GENERAL MANAGEMENT	STANDARD OF CONDUCT POLICY AND PROCEDURE	GM-0008

1.0 Purpose:

This administrative policy and procedure establishes the standard of conduct applicable to all North County Transit District (NCTD) officers, employees, agents, and Board members and is consistent with Board-approved policies, rules, and regulations. Every staff member will be informed of this policy, and this policy will be placed on NCTD's Document Management System (DMS). This policy is intended to comply, in part, with the provisions of Federal Transit Administration (FTA) Circular 4220.1F. Additionally, in compliance with this policy, all staff designated in the Board-adopted Conflict of Interest Code, must complete a Statement of Economic Interests annually while working at NCTD.

2.0 Scope:

This administrative policy and procedure applies to all NCTD officers, employees, agents, and Board members.

3.0 Definitions:

- 3.1 *“Designated Staff”* – Any NCTD staff member who is required to file a statement of economic interests pursuant to the California Political Reform Act of 1974 (Form 700), as amended, and any other staff who is engaged in or otherwise involved in the award or administration of third-party contracts of NCTD.
- 3.2 *“Gift”* – Any payment or item to the extent that consideration of equal or greater value is not received, including a rebate or discount in the price of anything of value, unless the rebate or discount is being offered to the general public in the regular course of business, and excluding payments that are exempt from the definition of gifts under the Political Reform Act and regulations adopted by the Fair Political Practices Commission, such as informational material, gifts that are returned or donated to a charity within 30 days without being claimed as a tax deduction, gifts from certain family members, campaign contributions, inheritances, personalized plaques or trophies, hospitality (including food, beverages, and lodging) provided by an individual in his or her home, and presents exchanged between the official and an individual other than a lobbyist on holidays, birthdays, or similar occasions provided that the presents exchanged are not substantially disproportionate in value. Gifts to a Board, committee or staff member's immediate family which confer a clear personal benefit on the Board, committee or staff member are gifts within this definition.
- 3.3 *“NCTD Board Member”* – A member of the Board of Directors of NCTD.
- 3.4 *“NCTD Decision”* – (a) The drafting, introduction, consideration, reconsideration, adoption, defeat, or repeal of any ordinance or resolution of NCTD; (b) the amendment of any ordinance or resolution of NCTD; (c) a report by NCTD staff to the Board or a committee; (d) contracts of NCTD; (e) quasi-judicial decisions of NCTD, including: (1) any decision on a land development permit, map, or other

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matter; or (2) any declaration of debarment; (f) appointment of any person to any position within NCTD; and (g) any other governmental decision made by the Board, any committee or staff member of NCTD as defined by the Political Reform Act and Regulations adopted by the Fair Political Practices Commission.

- 3.5 “Person” – Any individual, business entity, trust, corporation, association, committee, or any other organization or group of persons acting in concert, whether for profit or not for profit.
- 3.6 “Position of Substantial Responsibility” – Means a position in which a person took part personally and substantially by rendering a decision, approval, or disapproval for a department’s projects; by making a formal written recommendation; by conducting an investigation; by rendering advice on a significant basis; or by using confidential information.
- 3.7 “Staff” – All NCTD officers, employees, agents, Board members and consultants delegated specified decision-making authority or who perform the duties of an officer or employee of NCTD.

4.0 Responsibility:

All NCTD Staff members are expected to comply with this policy as well as all other applicable state and federal laws and regulations regarding employment by public agencies including, but not limited to, conflict of interest laws.

5.0 Policy/Reference:

None

6.0 General Principles:

Staff must abide by the following principles when doing their work:

- 6.1 Staff is to implement the policies and decisions of NCTD in an impartial manner. In particular, staff shall comply with all applicable laws regarding conflicts of interest, including, but not limited to, the California Political Reform Act and the provisions of the California Government Code regarding Prohibited Interests in Contracts, as these laws may be amended from time to time.
- 6.2 Staff is to treat their colleagues and members of the public fairly and consistently, in a non-discriminatory manner with proper regard for their rights and obligations. In this regard, staff should perform their duties in a professional and responsible manner. They should ensure that their decisions and actions are reasonable, fair, and appropriate to the circumstance, based upon consideration of all the relevant facts and supported by adequate documentation.

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- 6.3 Staff is to promote confidence in the integrity of NCTD and always act in the public interest and not in their private interest while conducting NCTD business. Staff should protect the reputation of NCTD. They should not engage in activities, at work or outside work that would bring NCTD into disrepute.
- 6.4 Staff is to provide relevant and responsible service to the public and other staff, providing necessary and appropriate assistance. They should provide information promptly and in an appropriate format that is easy for the recipient to understand. The information should be clear, accurate, and complete.
- 6.5 Staff should keep up to date with advances and changes in their area of expertise and look for ways to improve performance and achieve high standards of work. They should use their authority, available resources, and information only for the work-related purpose intended.

7.0 Guide to Ethical Decision Making:

To assist in fostering a climate of ethical awareness, conduct, and decision making at NCTD, staff may find it useful to refer to or consider, either by themselves or if they are uncertain, in conjunction with the Executive Director and/or General Counsel, the following five points:

- 7.1 Is the decision or conduct lawful?
- 7.2 Is the decision or conduct consistent with NCTD's policies and goals?
- 7.3 What will the outcome be for the staff member, other staff, NCTD, and others?
- 7.4 Do these outcomes raise a conflict of interest or lead to private gain to any person, including but not limited to the staff member or the staff member's family at NCTD's expense?
- 7.5 Can the decision or conduct be justified in terms of public interest, and would it withstand public scrutiny?

8.0 Recognizing a Conflict of Interest:

In addition to the provisions of the Political Reform Act, as enforced by the Fair Political Practices Commission, which prohibit a public official or employee from participating in NCTD decisions in which he/ she knows or has reason to know he/she has a financial interest, a conflict of interest exists when it is likely that a staff member could be influenced, or could be perceived to be influenced, by a personal interest in carrying out his/her duties of employment. Acting for the benefit of private interests instead of for the benefit of the public may constitute official misconduct. In some cases, bias in decision-making may cause invalidation of a decision. Some related interests that may give rise to a conflict of interest include:

- 8.1 Personal beliefs or attitudes that influence the impartiality of NCTD decisions;
- 8.2 Personal relationships with the people NCTD is dealing with that go beyond the level of a professional working relationship;

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- 8.3 Secondary employment that compromises the integrity of the employee and NCTD.
- 8.4 In all purchases for NCTD, any practices which might result in unlawful activity are prohibited, including, but not limited to, rebates, kickbacks, or other unlawful considerations. NCTD staff are specifically prohibited from participating in the selection process when those staff have a close personal relationship, family relationship, or business relationship, outside of NCTD business, with a person or business entity seeking a contract. An individual staff member may often be the only person aware of the potential for conflict. It is, therefore, each individual's responsibility to avoid any financial or other interest that could compromise the impartial performance of his/her duties and disclose any potential or actual conflict of interest to the Executive Director.
- 8.5 If a staff member is uncertain whether a conflict exists, he/she should discuss the related interest matter with the Director of Human Resources and attempt to resolve any conflicts of interest that may exist. To resolve any conflict of interest that occurs, or could occur, a range of options is available, depending upon the significance of the conflict. These options include:
- Recording the details of the disclosure and taking no further action because the potential for conflict is minimal or can be eliminated by disclosure or effective supervision;
 - The staff member relinquishing the personal interest;
 - The staff member being removed from the task/activity/situation where the conflict could occur.
- 8.6 The Human Resources Manager should present disputes over alleged conflicts of interest to General Counsel for resolution.

9.0 Prohibition Against Financial Interest in a Contract:

- 9.1 It is unlawful for any NCTD Board member, committee member, officer, or staff member to be financially interested in any contract made by them in their official capacity.
- 9.2 It is unlawful for any contract to be made by the NCTD Board or any committee established by NCTD's Board if any individual member of the governing body has a financial interest in the contract.
- 9.3 For purposes of the prohibitions set forth above in subsections 1 and 2 of this section, the term "financial interest" means any interest, direct or indirect, other than a remote interest (applicable to Board or committee members only) or a non-interest, as defined in California Government Code sections 1091 *et seq.*, which would prevent the individual involved from exercising absolute loyalty and undivided allegiance to the best interests of NCTD and the public.

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- 9.4 Any Board or committee member with a remote interest in a prospective contract of NCTD must disclose the existence of the remote interest to the Board, committee or other body on which he/ she is a member if that Board, committee or body has any role in creating, negotiating, reviewing, or approving the contract; the interest must be noted in the official record of the Board, committee or body; and the individual must abstain from influencing or anticipating in the creation, negotiation, review, or approval of the contract.
- 9.5 Special Prohibitions Applicable to FTA-Funded Contracts: In addition to all of the foregoing prohibitions, no employee, officer, agent or Board member engaged or involved in the award or administration of third-party contracts shall participate in the selection, award, or administration of a contract supported with Federal Transit Administration assistance if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following individuals has a financial or other interest in the firm selected for award:
- The officers, employees, agents, and Board members;
 - Any member of his or her immediate family;
 - His or her partner; or
 - An organization which employs, or is about to employ, any of the above.

10.0 Prohibition Against Influencing NCTD Decisions Affecting Economic Interests

It is unlawful for any NCTD Board, committee or staff member to make, participate in making, or in any way attempt to use his/her official position to influence a governmental decision of NCTD in which he/she knows or has reason to know it is reasonably foreseeable that the NCTD decision will have a material financial effect on:

- 10.1 the Board, committee or staff member or a member of his/her immediate family, if the material financial effect is distinguishable from its effect on the public generally; or
- 10.2 any of the following economic interests:
- 10.2.1 any business entity in which the Board, committee or staff member or a member of his/ her immediate family has invested; and
- 10.2.2 any business entity for which the Board, committee or staff member, or a member of his/ her immediate family is a director, officer, partner, trustee, or employee, or holds any position of management; and
- 10.2.3 any real property which the Board, committee or staff member, or a member of his/ her immediate family has invested; and

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10.2.4 any person from whom a Board, committee or staff member, or a member of his/ her immediate family has received (or by whom you have been promised) income within twelve (12) months prior to the NCTD decision.

10.2.5 For purposes of this section, “material financial effect” has the same meaning as that term is used in Title 2, sections 18705 through 18705.5 of the California Code of Regulations.

11.0 Prospective Employment:

11.1 It is unlawful for any Board, committee, or staff member to make, participate in making, or use his/her official position with NCTD to influence an NCTD decision involving the interests of a person with whom he or she is seeking, negotiating, or securing an agreement concerning future employment.

11.2 It is unlawful for any person who has a matter pending before NCTD to negotiate, directly or indirectly, knowingly or willfully, the possibility of future employment of a Board, committee or staff member who is making, participating in making, or using his/her official position to influence, an NCTD decision concerning that matter.

12.0 Restrictions Concerning Contracts and Procurements by Current and Former Employees:

Notwithstanding any other section of this Policy, NCTD shall not contract with, and shall reject any bid or proposal submitted by, the persons or entities specified below, unless the Executive Director finds that special circumstances exist which justify the approval of such contract:

12.1 Persons employed by NCTD;

12.2 Profit-making firms or businesses in which NCTD employees serve as officers, principals, partners, or major shareholders;

12.3 Persons who, within the immediately preceding twelve (12) months, were employed by NCTD and (1) were employed in positions of substantial responsibility in the area of service to be performed by the contract, or (2) participated in any way in developing the contract or its service specifications; and

12.4 Profit-making firms or businesses in which the former employees described in subsection (c) serve as officers, principals, partners, or major shareholders.

12.5 NCTD shall prohibit all contractors and consultants under contract to provide goods or services to NCTD from assigning persons to work under such contract who, within the immediately preceding twelve (12) months, were employed by NCTD and (1) were employed in positions of substantial responsibility in the NCTD department that awarded or will award the contract, or (2) participated in any way in developing the contract or its specifications.

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- 12.6 Persons leaving NCTD's employment who were employed in positions of substantial responsibility or who participated in developing contracts or specifications while at NCTD should avoid participating in developing a proposal or bid document in response to an NCTD solicitation or in negotiating contract terms on behalf of anyone other than a public employer for a period of twelve (12) months after leaving NCTD's employment in order to avoid a conflict of interest if either of the following conditions exist: (a) the solicitation or contract is issued by the person's former NCTD department, or (b) the former NCTD employee participated in developing the solicitation or contract specifications.

13.0 Acceptance of Gifts, Benefits, or Gratuities:

Pursuant to the Political Reform Act, as enforced by the Fair Political Practices Commission, officers, employees, agents, and Board members shall not accept gifts or benefits that are intended to, are likely to, or will be perceived to cause them to act in a partial manner in the course of their duties, inclusive of all requirements and thresholds as identified therein. Designated staff will neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from potential or current consultant or contractor, party to sub-agreements, or other contracting parties in violation of the requirements of the Political Reform Act.

14.0 Reporting Corrupt Conduct:

Staff is urged to report suspected corrupt conduct to the Executive Director and/or General Counsel. Anonymous reports can be made via the District's Whistleblower Hotline. Employees are urged to report suspected corrupt conduct to the Executive Director, other executive staff or NCTD's Whistleblower Hotline, which can be accessed through www.nctd.ethicspoint.com or (855) 877-6048.

15.0 Records:

The Manager of Administration shall retain copies of all original approved and superseded administrative policies and procedures in keeping in compliance with NCTD Administrative Policy and Procedure *GM-0000, Policy and Procedure Development and Management*.

16.0 Appendices:

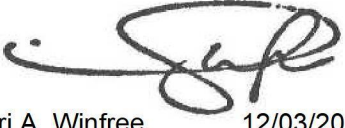
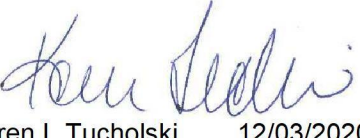
None

17.0 Training Requirements:

The General Counsel Department will conduct annual training to keep all NCTD officers, employees, agents, and Board members aware of any changes to this policy. The Director of Human Resources will provide assistance as necessary.

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18.0 Approval Information:

SENIOR LEGAL COUNSEL SIGNATURE	GENERAL COUNSEL SIGNATURE	CHIEF ADMINISTRATIVE OFFICER SIGNATURE
 R. Jacob Gould 12/07/2020 Senior Legal Counsel	 Lori A. Winfree 12/03/2020 General Counsel	 Karen L. Tucholski 12/03/2020 Chief Administrative Officer

REVISION RECORD:

The Revision Record shall include a listing of all substantive changes made to an Administrative Policy and Procedure. The Revision Record shall also be used as the location to explain if the document has been designated INACTIVE.

DATE	REVISION No.	DESCRIPTION
02/12/2014		ADOPTION
10/30/2014	1	ANNUAL REVIEW, NO CHANGES.
03/23/2015	2	ANNUAL REVIEW, NO CHANGES.
10/28/2016	3	ANNUAL REVIEW, SECTIONS 10.2 AND 10.3 UPDATED.
04/09/2018	4	ANNUAL REVIEW, ADDITION OF REVISION LANGUAGE.
05/23/2019	5	ANNUAL REVIEW, SECTION 13 UPDATED
12/07/2020	6	ANNUAL REVIEW