

CONFLICT OF INTEREST POLICY
AND
NON-CONFLICT STATEMENT
FOR
CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

Resolution No. 10-02

WHEREAS, the Board of the California Mental Health Services Authority (“CalMHSA”) wishes to avoid all actual or apparent conflicts of interest in its procurement process; and

WHEREAS, the Purchasing and Procurement Policy addresses the addresses authority and procedure but does not establish a procedure for recognizing and reporting conflicts that might affect that procedure; and

WHEREAS, Section 6 of the Purchasing and Procurement Policy provides that those preparing RFPs and those reviewing Proposals are required to submit a Non-Conflict Statement; and

WHEREAS, the Board wishes to avoid influence on its decision making process by those with actual or perceived conflicts of interest;

NOW THEREFORE BE IT RESOLVED THAT:

The Board of Directors of CalMHSA hereby adopt the following Conflict of Interest Policy and approve the following Non-Conflict Statement.

CalMHSA

CONFLICT OF INTEREST POLICY

SECTION 1: PURPOSE

The purpose of this policy is to define a conflict of interest and to establish a procedure for recognizing and reporting conflict of interest issues.

SECTION 2: POLICY

CalMHSA promotes business practices that comply with conflict of interest and disclosure requirements, including but not limited to, the California Political Reform Act of 1974 and California Government Code sections 1090-1097 and 1125-1129. When a Board member, staff member, contractor or agent in a position to influence a decision or who has decision making

power identifies a conflict of interest, that person must not participate in or give consideration to the matter from that point forward.

SECTION 3: DEFINITIONS

1. “Conflict of interest.” A person has a conflict of interest if the person, the person’s spouse, the person’s dependent child, or the person’s resident relative has an “economic interest” in or “disqualifying relationship” with a Provider; and
 - a. It is foreseeable that the decision will have a material effect on the “economic interest” of the person (or the person’s spouse or dependent child or resident relative) which is distinguishable from its effect on the public generally, or
 - b. It is foreseeable that the decision will have a material effect on the economic interest of a Proposer with whom the person (or the person’s spouse or dependent child or resident relative) has a significant relationship.
2. “Disqualifying relationship” means the position of officer, director, employee or volunteer, regardless of whether the position is compensated.
3. “Economic interest” means any fee, money, or financial gain, or other valuable benefit received directly or indirectly from or by reason of any dealings with or service for CalMHSA. “Economic interest” includes, but is not limited to, investments, business positions, interests in real property, services, and reportable sources of income.
4. “Influence or decision making power.” A person has decision making power when the person is a board member, committee member or review panelist for CalMHSA and has the power to recommend or approve a proposal, bid or contract with a Provider. A person has influence when he or she discusses, advises, or makes recommendations to a person with decision making power either directly or indirectly, that is, without significant intervening substantive review.
5. “Provider” means a person or organization that provides goods or services to CalMHSA, and includes but is not limited to Proposers and Sub-Contractors.
6. “Proposer” means a person or organization responding to a Request for Proposals or Invitation to Bid.
7. “Sub-Contractor” means a current sub-contractor of the Proposer, or a sub-contractor under a proposed agreement with the Proposer.

Government salaries, per diem expenses and reimbursement for travel from a nonprofit entity, are all specifically excluded from the definition of income under the Fair Political Practices Act. Salaries from a nonprofit agency are considered an “economic interest”.

A Government salary also does not constitute an interest in a contract (under Government Code section 1090) unless the contract directly involves the department of the entity that employs a

person in a decision making position, in which case, the person discloses the interest on the record and does not participate in the decision.

SECTION 4: PROHIBITIONS

A person with influence or decision making power at CalMHSA is prohibited from:

1. Serving on a board, committee or review panel that evaluates a proposal or application by a Provider as to whom the person has a conflict of interest.
2. Deliberating or voting on a proposal or application by a Provider as to whom the person has a conflict of interest.
3. Negotiating on behalf of CalMHSA with a Provider as to whom the person has a conflict of interest.
4. Attempting to influence, directly or indirectly, a decision or selection by CalMHSA with regard to a Provider as to whom the person has a conflict of interest.

SECTION 5: REPORTING A CONFLICT OF INTEREST

When a person with influence or decision making power first becomes aware of a conflict of interest or potential conflict of interest regarding a matter before CalMHSA or a committee or panel thereof, he or she must notify CalMHSA's Executive Director in writing. This notification shall include a description of the material facts relating to the conflict of interest. The Executive Director will determine if a conflict of interest or potential conflict of interest exists and the appropriate action to take.

When a Board Member has a conflict regarding a matter before the Board or Committee, as the issue is called, the Board Member must state on the record that he or she has or may have an interest in the matter, that he or she has not participated in any discussions, and he or she will not be participating in the matter. The Board Member should then leave the room while the matter is considered.

The fact of the disclosure and the Board Member's abstention from the matter will be recorded in the minutes of the Board or Committee meeting.

Each Board Member is personally responsible for his or her conduct and can be prosecuted civilly and criminally for violations under the California Political Reform Act of 1974, among other laws. Board Members may contact the Fair Political Practices Commission, the State enforcement agency, directly to discuss their individual issues. Resources available from the Fair Political Practices Commission include www.fppc.ca.gov and 1-866-ASK-FPPC.

Staff members, contractors, consultants, or agents of CalMHSA who identify a conflict of interest or potential conflict of interest, must notify the Executive Director in writing immediately.

SECTION 6: ANNUAL REPORTING REQUIREMENTS

All persons identified in the Appendix to CalMHSA's Conflict of Interest Code must file a Form 700, Statement of Economic Interest, in accordance with the California Political Reform Act of 1976.

To assist in the early identification of possible conflicts, Board Members must file an annual statement listing all organizations which they are affiliated with as an employee, director or officer. The statement should be updated when any changes occur.

SECTION 7: COUNTIES AS SERVICE PROVIDERS: ELIGIBILITY REQUIREMENTS

Member Counties or Cities are eligible enter into contracts with CalMHSA as Providers if the following requirements are adhered to: The County's or City's representative on CalMHSA's Board must to recuse himself or herself from any participation or consideration of the contract before the Board, Committee or Review Panel considering the matter; and the Board member may not participate in any way in the preparation of the RFP, presentation of the proposal in response to the RFP, discussion of the proposal with other Board Members, or participation in the deliberation and vote on the proposal. The recusal requirement applies to Committee meetings as well as Board meetings.

STATEMENT OF NON-CONFLICT OF INTEREST

CalMHSA
Request for Proposals No. _____
[name of project]

I acknowledge that I have been appointed as a member of a Committee that will prepare a Request for Proposals (RFP), or as a Member of a Review Panel to review proposals submitted in response to an RFP.

I understand that persons preparing RFPs and reviewing proposals must be free of any real or perceived conflict of interest. For purposes of this Statement, I understand that a conflict of interest exists whenever I have any relationship with a Proposer or Sub-Contractor of a Proposer that could interfere with my ability to exercise objectivity in the evaluation process.

I understand that if I participate in preparation of an RFP or on a Review Panel and have a conflict of interest, the process may be tainted and may have to be started over.

As used in this document, "Proposer" means a person or organization who has responded or expects to respond to the Request for Proposals described above. Throughout this document, "Sub-Contractor" means a prospective or current sub-contractor of the Proposer, or a sub-contractor under a proposed agreement with the Proposer.

Circumstances that may create a real or perceived conflict of interest include, but are not limited, to the following situations in which I:

1. Have a monetary or personal interest in the outcome of the RFP or evaluation process regarding the proposals.
2. Am employed or has been employed by a Proposer or have a close relative (spouse, parent, child, or sibling) who is so employed by the Proposer.
3. Am an officer, director, or volunteer for a Proposer.
4. Am employed or has been employed by a Sub-Contractor or have a close relative (spouse, parent, child, or sibling) who is so employed by the Sub-Contractor.
5. Am or have been a consultant to the Proposer or a Sub-Contractor.
6. Am or have been a student, intern, trainee, volunteer or any other non-paid staff placed at a program of the Proposer or a Sub-Contractor.
7. Have a close personal relationship with an individual or individuals employed at, placed at, or volunteering at a program of the Proposer or a Sub-Contractor.
8. Am currently receiving or have previously received services from a Proposer or a Sub-Contractor.
9. Have a spouse, parent, child, or sibling who is currently receiving or who has previously received services from a Proposer or a Sub-Contractor.
10. Have a close personal relationship with an individual who is currently receiving or who has previously received services from a Proposer or a Sub-Contractor.

11. Have submitted or been directly or indirectly involved in preparing the proposal of a Proposer.

THIS SECTION FOR REVIEW PANELISTS ONLY: I have reviewed the following list of Proposers that have submitted proposals that are under consideration by this RFP Evaluation Panel:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

and Sub-Contractors:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

After due consideration and review of the above,

1. I affirm that to the best of my knowledge neither I, any member of my immediate family, nor a person with whom I have a close personal relationship has a material personal or financial interest or fiduciary relationship with any actual or anticipated Proposer or Sub-Contractor under the RFP that I am preparing or reviewing proposals in response.
2. I affirm to the best of my knowledge that there is no conflict or potential conflict of interest that would preclude me from participating in preparation of the RFP or the evaluation process and in rendering a fair and impartial service and that none of the circumstances or situations that may create a real or perceived conflict of interest exist.
3. I further certify that I have no bias, whether positive or negative, toward any actual or anticipated Proposer or Sub-Contractor and there exists no circumstance that would prevent me from fairly specifying requirements or evaluating proposals under the RFP.

4. I further agree to give written notice to CalMHSA's Executive Director if at any time during this process, my personal, financial, or fiduciary relationship to one of the Proposers or Sub-Contractors is altered and a real or perceived conflict of interest should arise or I am no longer able to affirm that I can render fair and impartial service free of bias.

Name: Mark Ba 12/15/11
Signature Date

Name: MAUREEN F. BAUMAN
Print Name Title

Date Adopted: November 12, 2010

Date of Last Revision: N/A

Replaces Resolution No: N/A

Ayes: 24 Noes: 0 Abstains: 0 Absent: 4

Mark Ba
NAME

Secretary
TITLE

11/12/10
DATE

MAUREEN F. BAUMAN