



MEMORANDUM

February 17, 2012

TO: Board of Mayor and Aldermen

FROM: Eric S. Stuckey, City Administrator
Russell Truell, Assistant City Administrator / CFO
Brian Wilcox, Purchasing Manager

SUBJECT: Consider Resolution No. 2012-15, a resolution adopting the Values and Guiding Principles of Public Procurement as developed by the National Institute of Governmental Purchasing

Purpose

The purpose of this memo is to present a staff recommendation that the City of Franklin officially adopt the Values and Guiding Principles of Public Procurement as developed and ultimately adopted in 2010 by the National Institute of Governmental Purchasing. A copy of the Values and Guiding Principles is attached to Resolution No. 2012-15.

Background

Most professions have values and guiding principles. As part of its vision to help create a world in which public procurement practitioners are highly regarded members of a respected professional order, the National Institute of Governmental Purchasing (NIGP) has embarked on the development of Values and Guiding Principles for Public Procurement. In August 2009, the Board of Directors of NIGP adopted its 2009-2012 Strategic Plan with a primary objective to gain recognition of public procurement as a profession by developing guiding principles for public procurement. To this end, the 2010 president of NIGP appointed a task force to develop the guiding principles and related descriptions that will underpin the future development of standards of practice through collaboration with key stakeholders. After considerable discussion and debate, the Task Force identified three pillars by which the Values of Public Procurement should be directed: public trust, public service and justice. Understanding that these pillars may not be applicable across all governments, but that they serve the basis for democratic governance, these pillars were adopted as the basis for which the subsequent values and principles are to serve. The Task Force then looked at statements by 45 countries and organizations around the world to ascertain common public procurement values and principles, and the various concepts were considered against the identified pillars to determine the fit within this basic foundation. In October 2010, the Values and Guiding Principles were finalized and adopted by the NIGP Board of Directors. From that point forward the Values and Guiding Principles began to be adopted by many stakeholder organizations and work on Public Procurement Practices began. In August 2011, NIGP announced a formal partnership with the UK-based Chartered Institute for Purchasing and Supply (CIPS). The partnership officially took the Principles & Practices Project global, and both NIGP and CIPS are working together to achieve a set of Public Procurement Principles & Practices that will set the standard for the public procurement profession around the world.

According to NIGP:

Values are enduring beliefs or ideals shared by public procurement and our stakeholders about what is and what is not good or appropriate in our actions. Values exert major influence on the behavior of an individual and serve as broad guidelines. We depend on values to construct the frameworks of our professional lives. Values influence how we make choices, what choices we make, and how we are to be judged on our actions by the stakeholders. The Values, listed in alphabetical order, are:

- **ACCOUNTABILITY:** Taking ownership and being responsible to all stakeholders for our actions. This value is essential to preserve the public trust and protect the public interest.



- **IMPARTIALITY:** Unbiased decision making and actions. This value is essential to ensure fairness for the public good.
- **ETHICS:** Doing the right thing. This value is essential to deserve the public's trust.
- **PROFESSIONALISM:** Upholding high technical and ethical standards. This value is essential to balance diverse public interests.
- **SERVICE:** Obligation to assist stakeholders. This value is essential to support the public good.
- **TRANSPARENCY:** Easily accessible and understandable policies and processes. This value is essential to demonstrate responsible use of public funds.

Guiding Principles establish the fundamental norms, rules, or ethics that represent what is desirable (values) and affirmative for our profession and help us determine the rightfulness or wrongfulness of our actions. Principles are more explicit than values, and are meant to govern action.

Financial Impact

Staff is not aware that adopting the NIGP Values and Guiding Principles of Public Procurement would have any direct financial impact on the City.

Options

The Board of Mayor and Aldermen may adopt, amend or decline to adopt Resolution No. 2012-15.

Recommendation

Staff recommends that the City adopt the Values and Guiding Principles of Public Procurement as developed by the National Institute of Governmental Purchasing.

RESOLUTION NO. 2012-15

A RESOLUTION ADOPTING THE VALUES AND GUIDING PRINCIPLES OF PUBLIC PROCUREMENT AS DEVELOPED BY THE NATIONAL INSTITUTE OF GOVERNMENTAL PURCHASING

WHEREAS, the City of Franklin, Tennessee seeks to adhere to best principles and practices of public purchasing; and

WHEREAS, the National Institute of Government Purchasing (“NIGP”), in collaboration with key stakeholder organizations, has developed the Values and Guiding Principles of Public Procurement attached hereto for support or adoption, and has introduced such Values and Guiding Principles to chapters of NIGP, stakeholder organizations, local governments and practitioners; and

WHEREAS, the City of Franklin, Tennessee is an agency member of NIGP; and

WHEREAS, the City of Franklin, Tennessee wishes to express its support for the aforementioned Values and Guiding Principles, and its support for the ongoing efforts to develop Standards of Practice for Public Procurement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE THAT:

The City of Franklin, Tennessee hereby adopts the National Institute of Governmental Purchasing Values and Guiding Principles of Public Procurement attached hereto as the standard for public procurement, and hereby expresses its support for the ongoing efforts to develop Standards of Practice for Public Procurement.

Adopted this ____ day of _____, 2012.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

BY: _____
Eric S. Stuckey, City Administrator

BY: _____
Dr. Ken Moore, Mayor

APPROVED AS TO FORM:

BY: _____
Kristen L. Corn, Staff Attorney



VALUES AND GUIDING PRINCIPLES OF PUBLIC PROCUREMENT

Accountability

Taking ownership and being responsible to stakeholders for our actions...essential to preserve the public trust and protect the public interest.

PRINCIPLES:

- Apply sound business judgment.
- Be knowledgeable of and abide by all applicable laws and regulations.
- Be responsible stewards of public funds.
- Maximize competition to the greatest extent practicable.
- Practice due diligence.
- Promote effective, economic, and efficient acquisition.
- Support economic, social, and sustainable communities.
- Use procurement strategies to optimize value to stakeholders.

Ethics

Acting in a manner true to these values...essential to preserve the public's trust.

PRINCIPLES:

- Act and conduct business with honesty and integrity, avoiding even the appearance of impropriety.
- Maintain consistency in all processes and actions.
- Meet the ethical standards of the profession.

Impartiality

Unbiased decision-making and action...essential to ensure fairness for the public good.

PRINCIPLES:

- Be open, fair, impartial, and non-discriminatory in all processes.
- Treat suppliers equitably, without discrimination, and without imposing unnecessary constraints on the competitive market.
- Use sound professional judgment within established legal frameworks to balance competing interests among stakeholders.

Professionalism

Upholding high standards of job performance and ethical behavior...essential to balance diverse public interests.

PRINCIPLES:

- Be led by those with education, experience, and professional certification in public procurement.
- Continually contribute value to the organization.
- Continually develop as a profession through education, mentorship, innovation, and partnerships.
- Develop, support, and promote the highest professional standards in order to serve the public good.
- Seek continuous improvement through on-going training, education, and skill enhancement.

Service

Obligation to assist stakeholders...essential to support the public good.

PRINCIPLES:

- Be a crucial resource and strategic partner within the organization and community.
- Develop and maintain relationships with stakeholders.
- Develop collaborative partnerships to meet public needs.
- Maintain a customer-service focus while meeting the needs, and protecting the interests, of the organization and the public.

Transparency

Easily accessible and understandable policies and processes...essential to demonstrate responsible use of public funds.

PRINCIPLES:

- Exercise discretion in the release of confidential information.
- Maintain current and complete policies, procedures, and records.
- Provide open access to competitive opportunities.
- Provide timely access to procurement policies, procedures, and records.