

**(SAMPLE A: MAY BE USED WHEN ADOPTING CITY'S CODE)**

**CERTIFICATION OF BOARD RESOLUTION**

Whereas (legal name of your corporation) shall continue to operate and provide services to the Los Angeles community; and

Whereas adoption of a Code of Conduct shall be needed in order for (legal name of your corporation) to continue to contract with the City and its funding sources; and

Whereas (legal name of your corporation) has amended its corporate policies and procedures by reference to and incorporation of said Code of Conduct;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of (legal name of your corporation) hereby adopted the City of Los Angeles Code of Conduct effective January 1, 2007, with respect to all agreements (legal name of your corporation) might enter into with the City of Los Angeles; Said adoption will remain in effect unless amended by a future Board Resolution.

I, the undersigned, do hereby certify:

1. That I am the duly elected Secretary of (legal name of your corporation); and
2. That the foregoing constitutes a Resolution of the Board of said corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_\_ th day of \_\_\_\_\_, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed the seal of said corporation, this \_\_\_\_\_ th day of \_\_\_\_\_, 2007.

**(AFFIX CORPORATE SEAL HERE)**

\_\_\_\_\_  
(Name of Corporate Secretary)  
Corporate Secretary,  
(Name of your Corporation)

**(SAMPLE B: MAY BE USED WHEN ADOPTING A CODE OTHER THAN CITY'S)**

**CERTIFICATION OF BOARD RESOLUTION**

Whereas (legal name of your corporation) shall continue to operate and provide services to the Los Angeles community; and

Whereas adoption of a Code of Conduct shall be needed in order for (legal name of your corporation) to continue to contract with the City and its funding sources; and

Whereas (legal name of your corporation) amended its corporate policies and procedures by reference to and incorporation of said Code of Conduct;

IT WAS RESOLVED that the Board of Directors of (legal name of your corporation) adopted a Code of Conduct that contains all the requirements as set forth by the City of Los Angeles effective January 1, 2007 with respect to all agreements (legal name of your corporation) may enter into with the City of Los Angeles; Said adoption will remain in effect unless amended by a future Board Resolution. A fully executed copy of adopted Code of Conduct is attached to this Resolution and is incorporated herein by reference.

I, the undersigned, do hereby certify:

1. That I am the duly elected Secretary of (legal name of your corporation); and
2. That the foregoing constitutes a Resolution of the Board of said corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_ th day of \_\_\_\_, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed the seal of said corporation, this \_\_\_\_ th day of \_\_\_\_, 2007.

*(AFFIX CORPORATE SEAL HERE)*

\_\_\_\_\_  
*(Name of Corporation Secretary)*  
Corporate Secretary,  
*(Name of your Corporation)*

**(SAMPLE C: MAY BE USED BY INDEPENDENT CONTRACTOR ON OWN  
LETTERHEAD OR ADOPT SAMPLE HEADER FORMAT AS FOLLOWS)**

██████████ (Formal Name of Independent Contractor)  
DBA ██████████ (Doing Business As Name, if applicable)  
██████████ (Address: Street, Street No.)  
██████████ (Address: City, State, and Zip)  
Telephone: ██████████; Fax: ██████████; E-mail: ██████████

City of Los Angeles  
Community Development Department  
1200 West 7<sup>th</sup> Street, 4<sup>th</sup> floor  
Los Angeles, CA 90017

**SUBJECT: SELF STATEMENT OF ADOPTING THE CODE OF CONDUCT OF THE  
CITY OF LOS ANGELES**

I, ██████████ (DBA ██████████), an independent contractor, hereby adopt the Code of Conduct for the City of Los Angeles dated January 1, 2007 with respect to all Agreements I may enter into with the City of Los Angeles Community Development Department, ██████████ Division, effective immediately. It shall and remain in effect unless amended.

\_\_\_\_\_  
██████████ (Print Name and Title)  
Independent Contractor

\_\_\_\_\_  
DBA if applicable

\_\_\_\_\_  
Date Signed

Richard L. Benbow  
GENERAL MANAGER

# City of Los Angeles

CALIFORNIA




ANTONIO VILLARAIGOSA  
MAYOR

COMMUNITY DEVELOPMENT  
DEPARTMENT

1200 W. 7<sup>TH</sup> STREET  
LOS ANGELES, CA 90017

Date: December 15, 2006

To: All Community Development Department Contractors

From: Richard L. Benbow   
General Manager

## **POLICY ON CONFLICT OF INTEREST - DIRECTIVE NUMBER FY07-0001**

The purpose of this bulletin is to inform all Contractors regarding the final approved Community Development Department (CDD) policy on Conflict of Interest.

Prior **directive FY04-0001 Revised 05/04** which provided for resolution of contractor conflict of interest matters by allowing for certain exceptions/waivers is **hereby rescinded** and replaced in its entirety with the following document.

This revised directive No. FY07-0001 is effective January 1, 2007 as of the execution date of any new contract and/or amendment.

CDD is funded by several grant sources, each with different regulations related to prohibiting conflicts of interest. The City is required to apply conflict of interest laws cumulatively, meaning the strictest law is what controls a given situation. In an effort to assist the Department's contractors and their various staffing situations, CDD will review each reported case of conflict of interest on an individual basis, to the extent allowed by the specific grant regulations for the benefit of the grant and its beneficiaries. If approval of an exception/waiver is recommended by the CDD and approved by the City, it must then be approved by the funding source. **The request to review conflict of interest situations must be made prior to the execution of your Agreement or Amendment.**

Please note that the City's Agreement and this Directive prohibits Contractors from allowing employees to be members of its Board of Directors if the employee receives any financial benefit from the City Agreement.

All Contractors/Sub-Contractors are required to notify the City immediately upon discovery that a potential conflict of interest situation exists or may come into existence due to upcoming contractual/business dealings prior to each year's execution of a new City Agreement or Amendment.

If an existing or pending conflict of interest situation(s) is not brought to the attention of the City prior to execution of the Agreement or Amendment, and subsequent audit or monitoring visits determine that a conflict of interest does exist, the City will **NOT** approve a Contractor/Sub-Contractor's request for waiver/exception of the conflict of interest. Further, the City will question and may disallow any and all costs associated with that conflict of interest.

All exceptions/waivers to conflicts of interest that have been previously granted must be reviewed before execution of a new City funded Agreement or Amendment.

#### **No City-funded Employees as Board Members**

The City will not execute any Agreements and/or Amendments with Contractors where an employee (an individual who is paid or receives any financial benefit from funds from the Agreement with the City), is a member of the Board of Directors. The Board minutes must reflect this requirement.

#### **Code of Conduct**

The City requires that all Contractors/Sub-Contractors adopt a Code of Conduct which at minimum reflects the constraints discussed in this Directive. No Agreements and/or Amendments will be executed without City approval of this Code of Conduct.

Further, the City requires compliance with the following conflict of interest requirements for all City funded contractors.

#### **Conflict of Interest**

A. Prior to obtaining the City's approval of any subcontract, the Contractor shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

B. The Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by City funds (regardless of source) where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or

3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

C. Definitions:

1. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law.
2. The term "financial or other interest" includes but is not limited to:
  - a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
  - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
3. A subcontract is any agreement entered into by Contractor for the purchase of goods or services with any funds provided by this Agreement.

D. Minutes of Board Meetings must reflect disclosure of transactions where Board Members may have had a direct or indirect interest/benefit in the action.

E. No director, officer, employee (or agent) of the Contractor may be on the Board of Directors if they receive any financial benefit provided by any City Agreement.

F. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).

G. The Contractor shall not subcontract with a former director, officer, or employee within a one-year period following the termination of the relationship between said person and the Contractor.

H. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.

I. The Contractor warrants that it has not paid or given and will not pay or give to any third person, any money or other consideration for obtaining this Agreement.

J. The Contractor covenants that no member, officer or employee of Contractor shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.

K. The Contractor shall incorporate the foregoing subsections of this Section into every agreement that its enters into in connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".

Please contact your assigned Analyst to discuss the different options for eliminating existing conflict of interest situations. If you require technical assistance regarding this Directive, please contact Christopher Rajapakse, Community Program Director at (213)744-9049.