



## Policy Memorandum: Preventing Personal Conflicts of Interest

1. References: FAR Part 3.11, FAR Clause 52.203-16 Preventing Personal Conflicts of Interest

2. Applicability: This policy applies to all Members of Sine Cera Consulting, LLC (Sine Cera), and its Employees, as well as any Independent Subcontractors, Subcontractor Companies, or Teammates under solicitations and contracts that include FAR Clause 52.203-1 (covered employees).

3. Definitions:

“Acquisition function closely associated with inherently governmental functions” means supporting or providing advice or recommendations with regard to the following activities of a Federal agency:

- (1) Planning acquisitions.
- (2) Determining what supplies or services are to be acquired by the Government, including developing statements of work.
- (3) Developing or approving any contractual documents, to include documents defining requirements, incentive plans, and evaluation criteria.
- (4) Evaluating contract proposals.
- (5) Awarding Government contracts.
- (6) Administering contracts (including ordering changes or giving technical direction in contract performance or contract quantities, evaluating contractor performance, and accepting or rejecting contractor products or services).
- (7) Terminating contracts.
- (8) Determining whether contract costs are reasonable, allocable, and allowable.

“Covered employee” means an individual who performs an acquisition function closely associated with inherently governmental functions and is—

- (1) An employee of the contractor;
- (2) An employee of a subcontractor firm; or
- (3) A subcontractor that is a self-employed individual treated as a covered employee of the contractor because there is no employer to whom such an individual could submit the required disclosures.

“Personal conflict of interest” (PCI) means a situation in which a covered employee has a financial interest, personal activity, or relationship that could impair the employee’s ability to act impartially and in the best interest of the Government when performing under the contract. Additionally, any situation which has the potential to impair impartiality or has the appearance of impropriety could become a conflict.

- (1) Among the sources of personal conflicts of interest are—
  - (i) Financial interests of the covered employee, of close family members, or of other members of the covered employee’s household;

## Preventing Personal Conflicts of Interest

(ii) Other employment or financial relationships (including seeking or negotiating for prospective employment or business); and

(iii) Gifts, including travel.

(2) For example, financial interests referred to in paragraph (1) of this definition may arise from—

(i) Compensation, including wages, salaries, commissions, professional fees, or fees for business referrals;

(ii) Consulting relationships (including commercial and technical advisory board memberships, or serving as an expert witness in litigation);

(iii) Services provided in exchange for honorariums or travel expense reimbursements;

(iv) Research funding or other forms of research support;

(v) Investment in the form of stock or bond ownership or partnership interest (excluding diversified mutual fund investments);

(vi) Real estate investments;

(vii) Patents, copyrights, and other intellectual property interests; or

(viii) Business ownership and investment interests.

4. Policy. Procurement integrity is more than personal integrity. It is a process that is sound, complete, built with a sincere interest in quality work, statutory and regulatory compliance, and expert judgment. It's a commitment to meeting the requirement using proven processes and best practices that can withstand scrutiny. It is the policy of Sine Cera that individuals representing the company uphold our high standards of personal and professional conduct, as outlined by our Code of Ethics. One of Sine Cera's foundational principles is procurement integrity as embodied in our name – Sine Cera – Without Wax – and logo –the sun illuminating a flawless amphora.

5. PCI Examples. Examples of PCIs include: (1) financial interests of the employee and close family members or other members of the household, e.g., compensation, business and real estate investments, stock ownership, intellectual property interests; (2) employment and financial relationships, including seeking or negotiating prospective employment; and (3) gifts. De minimis interests, such as owning a mutual fund that includes shares of federal or defense contractors, which do not impair a covered employee's objectivity, do not constitute a PCI.

## SINE CERA CODE OF ETHICS

- I will demand excellence from myself, my colleagues, and from our work products. If it's worth doing, it's worth doing my best the first time, on time.
- I will conduct myself in a professional manner that builds and maintains confidence in my expertise, Sine Cera, and the integrity of the procurement process.
- I will avoid every entanglement that may create or appear to create a personal or organizational conflict of interest, or otherwise impair or impede my ability to provide impartial judgment.
- I will comply with all laws and regulations that govern the acquisition process to the best of my knowledge and ability.
- I will never disclose procurement sensitive information or attempt to profit from the sensitive information I access in the performance of my duties.
- I will remain informed and current on changes in acquisition policy, statute, and regulation that inform the performance of my duties and my profession.
- I will give sound acquisition advice and support to my clients. I will not cut corners or mince words. My input will be professional, but always direct.

## Preventing Personal Conflicts of Interest

### 6. Responsibilities.

a. The Managing Director is overall responsible for the effective execution of the PCI prevention program. The Managing Director will conduct an assessment of this PCI program at least annually, reviewing the documentation and training records of members and covered employees, subcontractor compliance, and reviewing any PCIs that have occurred, the applied mitigation, and outcomes, to determine if there are any systemic issues that need to be addressed to improve the program. The Manager may designate a PCI Prevention Officer.

b. The PCI Prevention Officer is responsible to maintain member and covered employee PCI program records, employee disclosures of financial interests, and PCI mitigation plans for each contract. (S)He manages the PCI screening program, and is supported by Sine Cera's leadership, management, and program managers to ensure an effective PCI prevention program. The PCI Prevention Officer also plans, coordinates, executes, and tracks/reports PCI training. (S)He monitors the program to identify trends, areas of improvement, and provides guidance to PMs on preventing, mitigating, and resolving PCIs.

c. Program Managers. The PM for a particular task is responsible for the daily execution of the PCI program regarding the task. (S)He must understand the commercial firms that are interested parties with respect to the support, that could become sources of PCIs, and screen covered employees. The PM must conduct the immediate actions outlined in this policy as well as lead the mitigation efforts.

d. All Members and Covered Employees. Everyone is responsible to help prevent PCIs, identify sources of interest conflicts, complete training, and disclose potential conflicts. Covered employees must inform Sine Cera leadership of changes in status that could become a potential PCI.

7. Member and Employee Screening. During initial membership and employee screening, employees must complete Sine Cera's disclosure form outlining any potential interests that could become a PCI. Unlike federal employees, Sine Cera will not require covered employees to identify ALL interests. Only those interests which reasonably indicate a potential PCI must be disclosed during initial screening, such as stock ownership in major federal contractors, or a family member employed as a senior member of a major federal contractor or a senior official in a government activity. A strong potential for conflict may be a cause for not hiring a candidate for employment. Covered employees must inform Sine Cera leadership of changes in status that could become a potential PCI.

8. Pre-Task Screening. Before being assigned to a new project, members will be pre-screened for potential PCIs specific to the work performed. To prevent PCIs, covered employees will not be assigned to tasks for which a personal conflict of interest has been identified, unless a government-approved mitigation plan is in place. All covered employees must sign Non-Disclosure Agreements (NDAs) before performed "closely associated with inherently governmental functions." The NDAs will either be a Sine Cera format or the format provided by the government for a particular contract/order.

9. PCI Occurrence. Should a potential, or perceived, or actual PCI be identified by a covered employee, other employee or member, Sine Cera leadership, a subcontractor or Teammate, or a government representative, Sine Cera will take the following actions:

a. Immediately remove the covered employee from the task(s) related to the PCI. This does not necessarily require removal from all work/tasks on a Project.

b. Immediately secure any documents, materials, information, emails, or other media in the possession of the covered employee, in order to prevent further disclosure.

## Preventing Personal Conflicts of Interest

c. Immediately conduct an initial assessment to determine the scope of the PCI, its impacts on customer operations and Sine Cera's support, and identify any additional initial actions, countermeasures, mitigation necessary to protect the customer's interests. Report the PCI and the immediate actions to the Sine Cera Management.

d. As soon as practicable, but no later than the same business day, inform the customer of the PCI and initial actions taken.

e. Within one business day, conduct a detailed review and determine if a PCI, a potential PCI, or perceived PCI is indeed extant, and implement specific procedures to mitigate the conflict including firewalls, employee assignment to new Project tasks, assignment to new Projects, etc. Present the mitigation plan to the customer within one business day.

f. Upon customer acceptance of the PCI mitigation plan, Sine Cera will implement the plan and provide regular updates to the customer.

10. Voluntary Disclosure. If a covered employee recognizes (s)he has a potential or actual PCI with respect to a particular customer, task, or vendor, the employee can recuse himself/herself at any time. Every effort will be made to reassign work or reassign the covered employee or develop and implement a mitigation plan to ensure as little impact as possible for the employee.

11. Disciplinary Action. Failure to disclose a potential PCI may be grounds for dismissal. A covered employee who willfully withholds a clear conflict, uses non-public information for personal gain, willfully violates the terms of a non-disclosure agreement, or demonstrates poor judgment due to an undisclosed conflict will be dismissed. If Sine Cera's management determines that the circumstances surrounding a PCI were not due to an intentional violation of the policy, the covered employee may face lesser disciplinary action, including notation in an employee's personnel file, negative performance ratings, loss of performance bonuses, and/or suspensions without pay.

12. Subcontractors/Subcontracts. Subcontractor employees that violate this policy will be removed from the subcontract. The subcontractor firm must find a suitable replacement in a reasonable timeframe. Failure to timely replace a subcontractor employee removed due to a PCI may result in Sine Cera filling the vacancy and the subcontractor losing the position. The provisions of the policy shall flow down to all Sine Cera subcontracts exceeding \$150,000 where the subcontractors' employees qualify as covered employees, regardless of subcontract tier.