



## POLICY AND PROCEDURE

<b>POLICY TITLE:</b> <b>Conflict of Interest Policy for Design-Build Projects</b>	<b>NUMBER:</b> <b>2025-02</b>	<b>PAGE:</b> <b>1 of 2</b>
<b>APPROVED BY:</b> <b>Zone 7 Board</b>	<b>REVISION:</b>	<b>EFFECTIVE DATE:</b> <b>November 18, 2025</b>

### 1. PURPOSE

The purpose of this policy is to establish a standard organizational conflict of interest policy applicable to design-build project procurements and consistent with requirements of California Public Contract Code section 22171.5, et seq. and the Zone 7 Water Agency ("Agency") Purchasing Policy related to projects delivered using the progressive design-build process.

### 2. POLICY STATEMENT

California law requires local agencies entering into design-build contracts to develop guidelines for a conflict-of-interest policy.

*"California Public Contract Code 22171.5: A local agency entering into design-build contracts authorized under this chapter shall develop guidelines for a standard organizational conflict-of-interest policy, consistent with applicable law, regarding the ability of a person or entity that performs services for the local agency relating to the solicitation of a design-build project, to submit a proposal as a design-build entity, or to join a design-build team."*

### 3. APPLICABILITY

This policy applies to any entity or person that performs services on behalf of the Agency relating to the solicitation of a design-build project, the submission of proposals as a design-build entity, or as a member of a design-build team. This policy is interpreted in conjunction with Zone 7's Purchasing Policy No. 2017-02, dated April 16, 2025, which is incorporated by reference.

### 4. POLICY

Contractors and consultants proposing a design-build project or joining a design-build team may not have an organizational conflict of interest. Organizational conflicts of interest are created by circumstances arising out of consultants' or contractors' existing or past activities, business or financial interests, familial relationships, contractual relationships, or organizational structure that result in: (i) impairment or potential impairment of consultants' or contractors' ability to render impartial assistance or advice to the Agency, (ii) impairment or potential impairment of consultants'

or contractors' objectivity in performing work for the Agency, (iii) an unfair competitive advantage for any Proposer with respect to the Agency's procurement, or (iv) a perception or appearance of impropriety or unfair competitive advantage with respect to any of the Agency's procurements or contracts (irrespective of whether such perception is accurate).

Persons or entities are considered to have an organizational conflict of interest and may be barred from submitting a proposal as a design-build entity or as part of a design-build team, or join a design-build team at any point during the design-build contract if any of the following are true:

- They have a conflict of interest as described in California Government Code 1090.
- They participated in the development of the progressive design-build solicitation documents, or development of the scope of work beyond conceptual, preliminary, or initial plans or specifications for the project.
- They provided services to the Agency associated with oversight of any work associated with the design-build project, including design review, construction inspection, construction management, or other.

Persons or entities that provided technical services may not have a conflict of interest, provided that those services do not result in a competitive advantage over other persons or entities considering proposing on or joining a design-build team.

## **5. DETERMINATION OF A CONFLICT OF INTEREST FOR DESIGN-BUILD SOLICITATIONS AND CONTRACTS**

It is the sole responsibility of proposers and the contracted design-build entity to avoid any conflict of interest under those rules, to disclose any conflicts of interest to the Agency, and to take appropriate action to address those conflicts, consistent with the law.

Nothing in this Policy is intended to limit, modify or otherwise alter the effect of other relevant federal, state, or local regulations, statutes or rules. The Agency shall be entitled to pursue any and all appropriate legal remedies related to confirmed or alleged conflicts of interest under these laws and statutes.

## **6. POLICY REVIEW**

The General Manager will be responsible for reviewing and updating this Conflict-of-Interest Policy every five years and presenting any recommended revisions to the Board of Directors for adoption.

## **7. HISTORY**

<b>Date</b>	<b>Action</b>	<b>Resolution</b>
November 18, 2025	Adopted	25-83