

SCENARIO

GIFTS AND BENEFITS

One gift, two surprises

Nicola is a project manager with the local council. She is currently organising a major public works tender, which will be advertised in about two weeks' time.

In the meantime, her friend Derek receives an invitation for himself and a guest to attend the AFL Grand Final in the Biz Inc. corporate box. Derek is a sub-contractor who does quite a bit of work for Biz Inc. Derek asks Nicola to attend the Grand Final with him but does not go into detail about where they will be sitting. He figures that she will enjoy the nice surprise on the day.

It is not until they attend the Grand Final that Nicola realises she is in Biz Inc.'s corporate box. Biz Inc. has undertaken public works for the council before and they are likely to submit a tender in response to the upcoming advertisement. As she mingles around the corporate box, Nicola recognises senior staff who have worked on previous tenders with the council.

What are the ethical issues in this situation?


- Conflict of interest – potential for real or perceived compromise of the tender process.
- Gifts and benefits

What risks are involved in this situation?

- Another tenderer could see Nicola in Biz Inc.'s corporate box.
- Nicola could be influenced by conversations she has with Biz Inc. staff.
- Biz Inc. could expect favourable treatment in the upcoming tender and other tenders in the future.

What options are available to Nicola?

- Leave the event, even though it may be difficult to leave without causing some awkwardness.
- Report the situation to her line manager at the council as soon as she gets back to work.

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- Disclose the offer of the gift or benefit (regardless of whether she stayed at the event or not).
 - Remove herself from the tender process.
 - Assess the tenders as part of a panel.
 - Declare a conflict of interest with the panel.
 - Have the names of the tenderers removed from the applications so they can be 'blind assessed' by the panel.
 - Engage a probity advisor to oversee the tender process.

Information used in this scenario is not based in fact, but has been created for the purpose of education and discussion. Any likeness to real persons or events is coincidental.