

EMWS



CONFIDENTIAL

November 2, 1995

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Re: Case no. 95040.Q

Dear

On October 23, 1995, you called our office and asked whether the City's Governmental Ethics Ordinance prohibits the Department of _____ from accepting an offer made to it by COMPANY A, a company with a long-term contract to provide PRODUCT X for the City. A offered to cover the reasonable costs of transportation, accommodations, and board for four department employees to visit A's installations of its latest technology in CITY 1 and CITY 2, from November 14 through 17, 1995.

On October 26, 1995, staff advised you that, after reviewing the facts and previous Board opinions, the Ordinance does not prohibit your department from accepting A's offer. This letter will confirm that conversation.

As you explained to staff, A is under contract with the City to supply SERVICE X. The contract was signed in October 1990, with an initial term of five years. It contains two extension options. The first gives the City the option to extend the term for one year, through September 1996. The City has exercised this first option. The second gives the City the option to extend the term an additional year, through September 1997. Before September 1996, the City will decide whether to exercise this second option.

Since 1990, A has been using its SYSTEM 1 to service the contract. A has developed a more advanced system, SYSTEM 2, now installed in CITY 1 and CITY 2. Your department has been asked to observe and evaluate the 2nd system.



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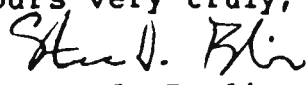
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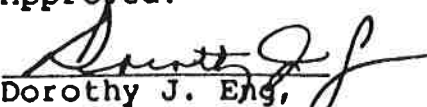
You said that A made its offer to observe this technology to the Department itself. Department Director desires that he, you, , and all have the opportunity to observe and evaluate the latest RPMS installations.

At your suggestion, staff spoke with , A's Chicago Account Manager. Mr. said that the two installations represent separate versions of the latest System 2 technology. He also said that A invites employees from other municipalities to view these new installations and covers their expenses. He confirmed that the City's contract with A is for PRODUCT X , and that A supplies these services through whichever technology it and the City agree upon. System 1 is the technology currently specified in the City's contract. Mr. Surhoff said that A would, if the City so specifies, substitute under the terms of the current contract its new System 2 technology through September 1997, at no additional cost.

It is staff's conclusion, based on the facts presented and on previous cases, that the Department of is not prohibited from accepting A's offer. Our conclusion in this case is based upon the application of the City's Governmental Ethics Ordinance to the facts summarized in this letter. If these are inaccurate, please notify us, as any change may alter our conclusion.

We appreciate your department's inquiry and willingness to comply with the standards in the Ordinance. If you have any further questions, please contact us.

Yours very truly,

Steven I. Berlin,
Deputy Director

Approved:

Dorothy J. Eng,
Executive Director