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CONFIDENTIAL

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City of Chicago
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Board of Ethics

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Re: Case No. 95034.Q

Dear Ms. [REDACTED]:

On [REDACTED], 1995, you called our office and asked whether the City's Governmental Ethics Ordinance prohibits the Department [REDACTED] from accepting an offer made to it by [REDACTED] ("A [REDACTED]"), a manufacturer of [REDACTED] used in certain [REDACTED] the City purchases. A [REDACTED] offered to cover the cost of transportation, two nights' accommodations, and admission to the [REDACTED] Exposition (the "[REDACTED]E") in [REDACTED] from [REDACTED] through [REDACTED], 1995, for several department employees to be chosen by the department. Your department's inquiry was confirmed in a letter to our office signed on [REDACTED], 1995 by [REDACTED], its First Deputy Commissioner.

On [REDACTED], staff spoke with [REDACTED], Chief [REDACTED] Engineer in your department, and informed him that, after reviewing the facts presented, it was staff's conclusion that the Ordinance does not prohibit your department from accepting A [REDACTED]'s offer. This letter will confirm that conversation.

As described in Mr. [REDACTED]'s letter, [REDACTED]E is the country's largest exposition of [REDACTED] manufacturers. In addition, his letter states, the department believes that the knowledge its employees would gain by attending the exposition would greatly benefit both the department and the City's overall [REDACTED] operations. A [REDACTED]'s written invitation to the City of Chicago, dated [REDACTED], indicates that it is a sponsor of the [REDACTED]E. Mr. [REDACTED] told staff that the exposition is put on by a consortium of manufacturers, who are its sponsors, and that A [REDACTED] is one of them. He also said he believed that A [REDACTED] sponsors municipal representatives from across the country to attend major industry-wide events, such as the [REDACTED]E, and



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that other municipal representatives will attend the [REDACTED]E as guests of A [REDACTED] and other manufacturers. A [REDACTED]'s written invitation was extended to the City of Chicago (though sent to your department). Both Mssrs. [REDACTED] and [REDACTED] indicated that A [REDACTED] did not specify which particular employees were invited--the choice of attendees was left to the department--and that the department was hoping to send 3 of its employees to the [REDACTED]E.

Both Mssrs. [REDACTED] and [REDACTED] confirmed that the City (and your department) does not purchase products from or contract with A [REDACTED], but that some of the [REDACTED] the City purchases do include A [REDACTED] components. City procedures require the purchase of these [REDACTED] to be subject to competitive bidding. When your department needs a [REDACTED], its written bid specifications do not require any particular company's products as components; the specifications are generic and can be met by most major manufacturers. The decision to use A [REDACTED]'s or one of its competitor's products in a bid proposal is made by the [REDACTED] vendor who submits the proposal--not by the City. [REDACTED] vendors are free to select any [REDACTED] make, model, or manufacturer for inclusion in their bid proposals, although they must identify all component manufacturers.

Your department then makes a purchase recommendation based on the "lowest responsible bid." Mr. [REDACTED] said that he believes the City currently has about 80 contracts with [REDACTED] vendors for [REDACTED] that have A [REDACTED]-manufactured components, and for which your department has set the specifications. Both he and Mr. [REDACTED] believe that in the future the City may well continue to purchase vehicles containing A [REDACTED] components.

It is staff's conclusion, based on these facts and previous cases and Board decisions applying §2-156-040 of the Ethics Ordinance, that the department is not prohibited from accepting A [REDACTED]'s offer to the City to pay the transportation, accommodations, and admission expenses for three department employees to attend the [REDACTED]E, even though A [REDACTED]'s products are components in [REDACTED] the City purchases.

Our conclusion in this case is based upon the application of the City's Governmental Ethics Ordinance to the facts and statements summarized in this letter. If any of these facts or statements are inaccurate, please notify us, as any change may alter our conclusion.

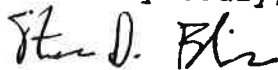
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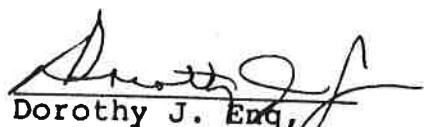
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We appreciate your department's inquiry and willingness to comply with the standards embodied in the Ordinance. If you have any further questions, please contact us.

Yours very truly,


Steven I. Berlin,
Deputy Director

Approved:


Dorothy J. Eng,
Executive Director

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