

1.010 Conflict of Interest Policy Statement

I. Policy

The Research Corporation of the University of Hawai'i (RCUH), which is administratively attached to the University of Hawai'i (UH) under the provisions of § [26-35](#) and § [304A - 3001-3011](#) of the Hawaii Revised Statutes (HRS), is a State agency and its employees are subject to the provisions of HRS [Chapter 84](#) (commonly referred to as the Code of Ethics). In addition, as an administrative service provider to UH and as a direct contractor with various federal agencies, RCUH and its employees are subject to various Federal Acquisition Regulations (FARs) governing conflicts of interest (e.g., [9.500](#)). HRS [Chapter 84](#) is applicable to legislators and public employees (rather than organizations), so RCUH as a public employer has a responsibility to ensure that every employee is aware of the provisions of HRS [Chapter 84](#) and its requirements. This responsibility is carried out through its [Policy 2.004](#) Standards of Conduct.

II. Applicability

The FARs, in addition to governing situations regarding personal conflicts of interest, also cover organizational situations. Organizational conflicts may occur involving a contractor hired by a service-ordered project. Such conflicts are more likely to occur in contracts involving the following:

- A. Management-support services;
- B. Consultant or other services;
- C. Contractor performance of, or assistance in, technical evaluations; or
- D. Systems engineering and technical direction work performed by a contractor that does not have overall contractual responsibility for development or production.

III. Details of Policy

An organizational conflict of interest may result when factors create an actual or potential conflict of interest on a contract, or when the nature of the work to be performed on the contract creates an actual or potential conflict of interest on a future acquisition. In the latter case, some restrictions on future activities of the contractor may be required.

Since RCUH serves as an administrative service provider to the recipient of the federal award, which retains direction and control of a project and its employees, organizational conflicts of interest involving RCUH would not be common. Federal awards which are "service ordered" to RCUH under the terms of the "[Internal Agreement between the University of Hawai'i and the Research Corporation of the University of Hawai'i](#)" is an example of a situation where UH retains direction and control of the service-ordered project

as well as responsibility for compliance with all sponsor requirements. However, conflicts involving RCUH may arise. Each individual contracting situation should be examined on the basis of its particular facts. The exercise of common sense, good judgment, and sound discretion is required in both the decision as to whether a potential conflict exists and, if one does, the development of an appropriate resolution.

IV. Relevant Documents

[FAR Subpart 9.5](#) Organizational and Consultant Conflicts of Interest

[HRS Chapter 84](#) Standards of Conduct

[HRS § 26-35](#) Administrative supervision of boards and commissions

[HRS § 304A-3001-3011](#) Establishment of the Research Corporation

[Internal Agreement between UH and RCUH](#)

[Policy 2.004](#) Standards of Conduct

Date Revised: 1/18/2017