



Model Code of Ethics for a Construction Firm

Since its founding more than 90 years ago, the **Canadian Construction Association (CCA)** has worked to improve the business environment in the construction industry. CCA developed one of the first industry codes of ethics in the 1950s. It has developed

Background

and continues to produce standard industry contract forms and best practices guides designed to establish and promote industry-endorsed and recommended practices and procedures and to promote integrity throughout the contracting chain. In keeping with that tradition and a renewed emphasis on matters of ethics as outlined in CCA's new Strategic Plan, the following Model Code of Ethics has been developed by CCA for use by its members.

The purpose of this Model Code is to provide a template or starting point for a construction firm wishing to develop its own Code of Ethics.

Purpose of Model Code

CCA recommends that firms wishing to adopt or adapt this Code as their own or to add portions of it to their existing Codes consult their legal advisors as part of that process.

Code of Ethics



Code of Ethics for <Insert firm name>

Code of Ethics

Honesty and Integrity. <Insert firm name>

serves its customers and treats its competitors, subcontractors and suppliers with honesty and integrity.

Competition. <Insert firm name>

competes fairly for contracts, avoiding any practice that might be construed to be in violation of the letter or spirit of federal or provincial competition or unfair business practices legislation. The firm does not seek nor accept information concerning a competitor's bid prior to bid closing nor does it attempt to modify its price after the bid closing. The firm avoids any activity that could be construed as ***bid shopping**, a ****reverse bid auction** or *****bid peddling**.

Qualifications. <Insert firm name>

seeks to perform contracts only for projects for which the firm has the technical competence and experience. The firm does not accept contracts for which it is not qualified. The firm assigns staff to projects in accordance with their qualifications and commensurate with the demands of the services to be provided under the contract.

Standards of Practice. <Insert firm name>

provides materials and services in a manner consistent with the established and accepted standards of the construction industry and with the laws and regulations that govern it including the use of standard industry documents wherever feasible. The firm performs its contracts with competence, reasonable care and diligence. The firm establishes prices that are commensurate with its services.

Conflicts of Interest. <Insert firm name>

endeavors to avoid conflicts of interest, both corporate and individual. Where a corporate conflict exists, <Insert firm name>

will disclose such conflict to its customer or prospective customer.

<Insert firm name>

regularly educates its staff about personal conflicts of interest and has established a procedure for internal disclosure.

Safety. <Insert firm name>

assures that the safety of its employees, the employees of others on the job site, and the general public at large, is given the highest priority in all aspects of the firm's activities.

<Insert firm name>

will strive to provide its employees with the proper training and education required to enable the company to meet the stated goals of a safe workplace.

Environment/Sustainability. <Insert firm name>

will endeavour to promote sustainable building practices and environmental considerations in all its operations and in the services it provides to its clients.

<Insert firm name>

will strive to provide its employees with the proper training and education required to enable the

company to meet the stated goals of a more sustainable built environment and more environmentally friendly business practices.

Service Providers and Suppliers. <Insert firm name>

treats its service providers and suppliers in an equitable manner, avoiding any activity that could be construed as ***bid shopping**, a ****reverse bid auction** or *****bid peddling**. It assures that they are advised as soon as it is reasonable subsequent to bid closing as to whether or not their bid was successful. The firm awards contracts with dispatch to the successful bidder at the bid price. The firm provides clear direction and prompt payment for service provided.

Employees. <Insert firm name>

complies with the letter and spirit of laws relating to working conditions. The firm does not knowingly violate any law or regulation dealing with employment standards. It is committed to providing its employees with a work environment free of harassment and discrimination and has internal policies and procedures to deal with complaints and to enforce its policies.

Financial Disclosure. <Insert firm name>

strives to ensure that all financial information provided to its principals, partners, shareholders, lending institutions, bonding and, insurance providers, and the general public where so provided, is an accurate and true representation of the firm's financial status.

Public Information. <Insert firm name>

assures that all public statements and disclosures it makes are truthful. The firm also protects the proprietary interests of its customers.

Compliance with Laws. <Insert firm name>

does not knowingly violate any law or regulation.

Image of the Construction Industry. <Insert firm name>

avoids actions that promote its own self-interest at the expense of the construction industry and upholds the standards of the construction industry with honour and dignity.

Internal Procedures. <Insert name of firm>

has established internal procedures under which its failure to conform to the above practices will be handled. Each year, the firm reviews this Code of Ethics and its internal procedures with each of its employees. If an employee, customer or other individual becomes aware of a circumstance in which <Insert firm name>

or an employee of the firm fails to conform to the above standards, he/she should immediately report such circumstance to <insert name & title of individual> , who will initiate an investigation of and otherwise resolve the reported issue.

*For the purposes of this document, **bid shopping** is defined as any conduct whereby the one soliciting bids uses the bids submitted to it as a negotiating tool either expressly or in a more clandestine way, before the contract has been awarded, with a view to obtaining a better price or other contractual advantage from that particular bidder or any of the others.

For the purposes of this document, a **reverse bid auction is defined as a form of bid shopping in which the one soliciting bids is privy to the bid information prior to the bid closing and uses that information to encourage bidders to resubmit lower-priced bids by advising them of their ranking or relative position to the other submitted bids during the bidding process.

***For the purposes of this document, **bid peddling** is defined as any conduct whereby a bidder, in an attempt to secure a contract, offers to lower its previously bid price in order to undercut known bid prices from other bidders.