



Model Code of Ethics for a Construction Subcontractor

Background: Since its founding more than 50 years ago, the American Subcontractors Association, Inc. (ASA) has worked to improve the business environment in the construction industry. ASA has discussed, educated on and promoted ethical industry practices. This includes developing and marketing a “Professional Standards of Practice for the Professional Subcontractor.” In 2002, Congress enacted the Sarbanes-Oxley Act, which requires public companies to disclose whether or not they have adopted a code of ethics and other disclosures regarding such code. Subsequently, some publicly-held companies have required their own service providers and suppliers to disclose their own codes of ethics, whether or not required by the Sarbanes-Oxley Act. ASA has prepared this “Model Code of Ethics for a Construction Subcontractor” to help ASA members and other subcontractors comply with both the letter and spirit of the Sarbanes-Oxley Act. ASA members and other subcontractors are urged to modify and adopt this model for their own use.

Model Code of Ethics for a Construction Subcontractor

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 the antitrust laws. The firm avoids any activity that could be construed as bid shopping or peddling. The firm does not knowingly violate any law or regulation governing the competitive process.

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. The firm performs its contracts with competence, reasonable care and diligence. The firm establishes prices that are commensurate with its services. It serves its customers with honesty and integrity.

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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.

Public Safety. <Insert firm name> assures that the safety of its employees, the employees of others on the job site, and the general public are protected during the provision of its services.

Service Providers and Suppliers. <Insert firm name> treats its service providers and suppliers in an equitable manner, assuring that they are provided clear direction and prompt payment for service provided. The firm does not knowingly violate any law or regulation governing such relationships.

Employees. <Insert firm name> complies with the letter and spirit of laws relating to working conditions, equal employment opportunities, and pay practices. The firm does not knowingly violate any law or regulation dealing with employment.

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 honor 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>. <title> will initiate an investigation of and otherwise resolve the reported issue.