

CODE OF PROFESSIONAL CONDUCT

OVERVIEW

Professional Services Council (PSC) strives to ensure that its member firms render high quality, reasonably priced professional services to the federal government. Since the professional services industry performs critical services for government and industry, it is essential that it acknowledges and accepts the highest standards of conduct and is committed to ethical business practices.

PSC recognizes that adherence to rules and standards governing organizational conduct is not a static process. In the world of government contracting, rules and standards evolve continuously. Frequently, choices that once

were individual ethical judgments now are governed by complex laws and regulations.

Recognizing the need for industry accountability and self-governance, PSC has developed a Code of Conduct for its member firms. It is a requirement of membership that member firms subscribe to the PSC Code. It is intended that the PSC Code of Conduct be easily understood and readily implemented. In that spirit, PSC requires member firms to adhere to the principles below. PSC expects member firms to implement programs tailored to their size and structure within 12 months of becoming a member of PSC.

GENERAL PRINCIPLES

Each Member Firm will adopt a program to ensure ethical business practices. PSC recognizes that there is no single process to assure compliance with government laws and regulations.

A Member Firm's ethics program, tailored to the size and other relevant characteristics of the company, will include these elements:

- A written code of business ethics and conduct to serve as the standard against which employees, supervisors, and executives are judged. The code should supplement and expand upon the laws and regulations governing government acquisition, should describe the expected ethical behavior of employees, and should include a description of the Member Firm's sanctions that will be imposed for failure to adhere to the standards.
- A means of communicating and reinforcing the code among all the Member Firm's employees. The company communications plan should include a mechanism to facilitate confidential reports of suspected wrongdoing without fear of retribution.
- Such a mechanism normally would provide for reporting outside the normal supervisory chain.
- A training program that explains the Member Firm's code to current employees, ensures that new employees are properly informed, and periodically re-trains all employees in the Member Firm's standards.
- A monitoring procedure through which the Member Firm can assess the program to ensure that it is functioning properly. This monitoring may include use of outside audits, the imposition of internal controls, and internal auditing.

SPECIFIC PRINCIPLES

A Member Firm's ethics program should pledge to adhere to the following specific principles.

1. A Member Firm will issue reports, offer opinions, make public statements, or present testimony only in a manner which reflects an independent, professional judgment, objective opinion, and accurate presentation of relevant facts.
2. A Member Firm will act for its clients as a faithful agent and trustee.
 - a. It will avoid conflicts of interest which may affect the relationship between client and firm or may influence its professional judgment or opinion.
 - b. It will inform potential clients of any circumstances known to it which may affect its ability to exercise unbiased judgment on matters relating to the proposed assignment and will inform the client promptly and fully of any such circumstance arising during the course of an assignment.
 - c. It will not accept compensation, financial or otherwise, from more than one party for services on or pertaining to the same assignment, unless the circumstances are fully disclosed to and agreed to by all parties or unless it is a developed product or package being sold on a unit-price basis.
 - d. It will not reveal to others confidential information furnished by a client or confidential advice provided to a client during the course of an assignment without authorization from that client.
 - e. It will not solicit or accept a contract from a governmental body on which a principal, officer, or employee of the Member Firm serves as an elected or appointed official, in a paid or unpaid status, in a capacity in which he or she could have any influence on either the award of the contract or on the specifications for work to be accomplished under the contract, unless the relationship between the firm and the principal, officer, or employee serving on the governmental body is publicly disclosed prior to the acceptance of the contract.
 - f. It will not accept any assignment which, in its judgment, is ill-conceived or of no use without informing the client of its views.
 - g. If, as a result of its studies, it determines that a project or proposal under study will not be successful or that the assignment itself cannot be brought to a successful conclusion, it will inform the client promptly of its determination and request the client's further instructions.
 - h. It will not solicit or accept financial or other considerations from manufacturers, vendors, or subcontractors in return for favoring their products or services.
3. A Member Firm will not compete unfairly for an assignment.
 - a. It will represent accurately its qualifications and those of its employees for a proposed assignment.
 - b. It will not offer or give, directly or indirectly, any commission, gift, favor, or other consideration intended to influence, or reasonably appearing to have the intent of influencing, the award of an assignment or the conduct of work under an assignment when such actions are prohibited by law.
4. A Member Firm will act at all times in such a manner as to uphold and enhance the honor, integrity, and dignity of the professional services industry.
 - a. It will not knowingly act in a manner derogatory to the good reputation of the professional services industry or knowingly engage in any business or professional practice of a fraudulent or dishonest nature.
 - b. It will not permit the use of the Member Firm's name or associate in any business venture with any person or organization it has reason to believe is engaging in a dishonest or fraudulent activity.
 - c. It will describe fairly its work and capabilities, and studiously will avoid promoting its own interests by denigrating its competitors at the expense of the integrity and honor of the profession.

IMPLEMENTATION

PSC understands that introduction of an effective ethics program requires time, thought, and commitment. PSC is prepared to assist Member Firms with more detailed information and training aids in reviewing an existing ethics program or in initiating one.