



Online Ethics Center  
FOR ENGINEERING AND SCIENCE

# **Contingency Payment for Industrial Design (adapted from NSPE Case No. 77-12)**

## **Year**

1999

## **Description**

Payment for work on a contingency or commission basis is considered by some to undermine the professional standing of engineers, and, in some circumstances, to create a conflict of interest. Others view it as creating an incentive for an engineer to deliver the best services of which she is capable. This is an open-ended scenario for discussion based on a case from the NSPE Board of Ethical Review.

## **Body**

Weiss, a consulting engineer who works in industrial product design, was hired by the Montana Manufacturing Company to review a design for an amplifier that the company is developing. The company has not yet produced an acceptable product, and is now under pressure to deliver a final model to a customer within three months. Weiss spent several days reviewing the amplifier design, and made a number of recommendations for improving the product. Weiss was then paid a per diem fee as previously agreed upon. The Montana Manufacturing Company subsequently informed Weiss that it would need further assistance to make the product fully acceptable to the customer. Montana states that they will pay Weiss's out-of-pocket expenses, such as travel and lodging during this time, but that Weiss

will receive an additional fee only if the amplifier meets the customer's requirements by the deadline.

What else should Weiss know before he enters into this contract as described? What about this situation might a professional society be wary of on behalf of its members? What is the difference between a contingency payment and a commission? What circumstances might make a contingency payment seem like a bribe? How else could the manufacturing company approach this situation?

[NSPE Code of Ethics](#) An earlier version may have been used in this case.

## **Notes**

See the original NSPE case at: [Contingent Contract - Industrial Design - Case No. 77-12](#).

## **Rights**

Use of Materials on the OEC

## **Resource Type**

Case Study / Scenario

## **Parent Collection**

Professional Ethics in Engineering Practice: Discussion Cases Based on NSPE BER Cases

## **Topics**

Conflict of Interest

## **Discipline(s)**

Engineering

## **Publisher**

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