



## **Binary Service to Same Client (adapted from NSPE Case No. 78-3)**

### **Year**

1999

### **Description**

This is an open-ended scenario for discussion based on a case from the NSPE Board of Ethical Review. Two Engineers co-own both an engineering firm and a consulting firm called Electricity Services. Their engineering firm is awarded an assignment by the board of directors of the water plant on the basis of reports and recommendations provided by their other company, Electricity Services.

### **Body**

You and Smith are engineers who own a consulting engineering firm. You and Smith also own Electricity Services, Inc., a separate corporation. Electricity Services has a management arrangement with a rural district. Under this arrangement, Electricity Services provides several services on a regular basis, including meter reading, billing, recommendations for repair and maintenance. Every so often, Electricity Services provides recommendations for additions and improvements to the water system. The board of directors of the water district meets regularly and receives the reports and recommendations of Electricity Services.

The contract between Electricity Services and the rural district is about to be renegotiated. Smith suggests that the new terms of this contract include a stipulation that when the board approves recommendations of Electricity Services, it awards the engineering assignments for the required professional services to your

consulting firm.

How should you respond to this suggestion?

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

## **Notes**

See the original NSPE case at: [Binary Service to Same Client - Case No. 78-3](#).

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