



Online Ethics Center  
FOR ENGINEERING AND SCIENCE

## **Protesting a Low Fee Proposal (adapted from NSPE Case No. 80-1)**

### **Year**

1999

### **Description**

This is an open-ended scenario for discussion based on a case from the NSPE Board of Ethical Review. Three competing firms submit price proposals with significant price differences. The lowest price proposal is challenged on the grounds that competent engineering services could not be provided within this budget.

### **Body**

A State agency announces its decision to proceed with the designing of a highway bridge. In order to secure the services of an engineering firm to design the bridge, the agency announces that all interested firms should submit a statement of qualification. Upon review of the qualifications of the various firms by an agency selection board, the list will be paired down to three finalists. After participating in a "scope of project" meeting, the three will submit cost proposals for the project. The State agency makes it clear in its announcement that cost will be a significant factor, but not necessarily the deciding factor.

Several firms submit statements of qualification, and after reviewing the competency of these firms, the agency engineering staff narrows the list down to the O'Leary Company, the Allied Corporation, and Mikic Incorporated. Representatives of those three firms then attend a "scope of project" meeting, after which they submit the following cost proposals: the O'Leary Company --\$50,000; the

Allied Corporation --\$120,000; Mikic Incorporated --\$200,000.

After deliberation, the agency announces that it has awarded the contract to the O'Leary Company. You are a principal in the Allied Corporation. You believe that it is unfair and unethical for the O'Leary Company to submit such a low bid. You believe it is unlikely that the O'Leary Company can complete the project for that little money without compromising the design or having higher maintenance costs in the future. The O'Leary Company could even jeopardize public safety if it tries to complete the project within its specified budget.

What, if anything, do you do?

Suppose that Following the decision, the Allied Corporation and Mikic Incorporated file a protest with the agency and call for a public hearing on the basis of the ideas expressed above. If you were a principal with the O'Leary Company, how would you respond?

Should the County agency have accepted this bid after maintaining that cost would not be the overriding factor? What additional information would be relevant to your ethics assessment?

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

## **Notes**

See the original NSPE case at: [Protest of a Low Fee Proposal - Case No. 80-1](#).

## **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**

Public Health and Safety

Safety

Bidding Process

**Discipline(s)**

Engineering

**Publisher**

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