

partnerships do not have the same problem with other states since they are not a legal entity separate from the individuals.

If a corporation is dissolved, outside creditors are paid first and shareholders last. Corporations are dissolved by simply surrendering the charter. Of course, getting to this point is not so simple but must be done through the vote of all shareholders. Sometimes there may be a predetermined expiration date or an involuntary closing through the courts or a bankruptcy.

CONSTRUCTION ETHICS

Society governs behavior by written laws and unwritten moral and ethical codes. Many acts are allowed by law but considered unethical or immoral by a certain group's standards. In professional circles, expected ethical behavior is sometimes written out as a code of ethics. Here is the code of the American Institute of Constructors*:

The construction profession is based upon a system of technical competence, management excellence, and fair dealing in undertaking complex works to serve the public with safety, efficiency and economy. The members of the American Institute of Constructors are committed to the following standards of professional conduct:

- I. A member shall have full regard to public interest in fulfilling his or her professional responsibilities.
- II. A member shall not engage in any deceptive practice, or in any practice that creates an unfair advantage for the member or another.
- III. A member shall not maliciously or recklessly injure or attempt to injure the professional reputation of others.
- IV. A member shall ensure that when providing a service that includes advice, such advice shall be fair and unbiased.
- V. A member shall not divulge to any person, firm or company, information of a confidential nature acquired during the course of professional activities.
- VI. A member shall carry out his or her responsibilities in accordance with current professional practice.
- VII. A member shall keep informed of new concepts and developments in the construction process appropriate to the type and level of his or her responsibilities.

Often it is difficult to discern if certain ways of acting are unethical or simply economic business practice. In construction, one example of

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unethical behavior is bid shopping. This can occur during the bidding period or after the bids are in. It can be instigated by contractors, subcontractors, or, in some instances, owners themselves. Basically, bid shopping involves letting a specific contractor or subcontractor know enough about the other bids so that he or she can bid below them to win the job. This practice hurts all the bidders. Bids cost money to put together and represent significant effort. It is unfair not to give everyone the same chance of winning the job. In the long run, bid shopping hurts the owner. The subcontractor who wins the job may have reduced his or her profit so significantly that the incentive to cut corners is high. Additionally, if the construction community learns about this practice, the owner will find it difficult to get good bids on subsequent jobs.

Being able to trust the people we work with is a big part of putting our best effort into our work. On a construction job people often do not know each other very well. They come together to do a project but may have no prior common working experience. A key to success is creating a trusting environment in which people feel comfortable with each other. If project participants adhere to a professional code of ethics such as the one you have just read, they already have a foundation for creating that trust.

PARTNERING

During the 1980s the construction industry went through a period of considerable litigation. Although many of the disputes were minor, they were blown out of proportion once they entered the court system. In an effort to save itself, the industry adopted a more structured approach to working together. This approach, called partnering, was developed by the Army Corps of Engineers for use in its relationships with contractors. Its primary goal is to encourage people to look beyond traditional adversarial roles toward cooperation and open communication. For partnering to work, all stakeholders must make a serious commitment. Issues of ethics are also taken very seriously.

Partnering usually begins with the owner. When hiring the project participants, he or she introduces the concept. There must be a commitment from the top management of all stakeholders and a designated managing partner who nurtures the project participants throughout the project. Partnering is a project-length commitment and does need continual renewal, which should be part of the original charter of the partnering exercise.

Usually partnering involves a workshop in which all participants, through a facilitator, discuss and agree to mutual goals. A charter is