Subpart 1503.10—Contractor Code of Business Ethics and Conduct

Parent topic: PART 1503—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

1503.1002 Policy.

Government contractors must conduct themselves with the highest degree of integrity and honesty. Contractors should have standards of conduct and internal control systems that:

(a) Are suitable to the size of the company and the extent of their involvement in Government contracting;

(b) Promote such standards;

(c) Facilitate timely discovery and disclosure of improper conduct in connection with Government contracts; and

(d) Ensure corrective measures are promptly instituted and carried out.

1503.1003 Requirements.

(a) A contractor's system of management controls should provide for:

(1) A written code of business ethics and conduct and an ethics training program for all employees;

(2) Periodic reviews of company business practices, procedures, policies and internal controls for compliance with standards of conduct and the special requirements of Government contracting;

(3) A mechanism, such as a hotline, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports;

(4) Internal and/or external audits, as appropriate;

(5) Disciplinary action for improper conduct;

(6) Timely reporting to appropriate Government officials of any suspected or possible violation of law in connection with Government contracts or any other irregularities in connection with such contracts; and

(7) Full cooperation with any Government agencies responsible for either investigation or corrective actions.

(b) Contractors who are awarded an EPA contract of $1 million or more must display EPA Office of Inspector General Hotline Posters unless the contractor has established an internal reporting mechanism and program as described in paragraph (a) of this section.

1503.1004 Contract clause.

As required by EPAAR 1503.1003(b), the contracting officer shall insert the clause at 1552.203-71, *Display of EPA Office of Inspector General Hotline Poster,* in all contracts valued at $1,000,000 or more, including all contract options.

1503.1070 Scientific integrity.

The EPA's Scientific Integrity Policy is based on a Presidential Memorandum for the Heads of Executive Departments and Agencies, Subject Line: Scientific Integrity, Dated: March 9, 2009. The memorandum directs the Director of the Office of Science and Technology Policy (OSTP) to work with the Office of Management and Budget (OMB) and agencies to develop policies to ensure all scientific work developed and used by the Government is done with scientific integrity. OSTP issued further guidance in the Scientific Integrity memorandum dated December 17, 2010. This section and clause complement the EPA's Scientific Integrity Policy.

1503.1071 Contract clause.

Contracting Officers, with advisement from the program office, must insert the contract clause at 1552.203-72—*Scientific Integrity,* in solicitations and contracts when the Contractor may be required to perform, communicate, or supervise scientific activities, or use scientific information to perform advisory and assistance services. Examples of such scientific activities include, but are not limited to, computer modeling, economic analysis, field sampling, laboratory experimentation, demonstrating new technology, statistical analysis, and writing a review article on a scientific issue.