

CH2MHILL®

Our Supply Chain Ethics & Business Conduct Principles

when doing business with CH2M HILL
Supplement for U.S. Government Work

October 2011



Principles based on co-founder
Jim Howland's
The Little Yellow Book,
written in 1978



In 1978, co-founder and former CH2M HILL President James Howland wrote a collection of management quotations to capture the values on which our company was built.

The quotations became the basis for **The Little Yellow Book**, which is the foundation of The CH2M HILL Way of doing business.

Learn more about The Little Yellow Book, at: www.ch2mhill.com/ethics



Message from the President of our Federal Business



The U.S. Government is one of CH2M HILL's largest and most important customers. The work we do for this customer varies in type and geography, but what does not vary are the special requirements that you must observe while doing this work with us. When working for the U.S. Government anywhere in the world you must conduct yourself with honesty and integrity. As a member of our supply chain we expect you to know and comply with all applicable laws and regulations that govern work funded by the U.S. Government, including federal procurement regulations, rules governing ethical conduct and lobbying, conflicts of interest and the handling of confidential, classified and other government information.

Violation of these important laws and regulations may result in criminal sanctions (fines and imprisonment) and significant civil penalties against individuals and companies involved. Violations of these rules of engagement with the U.S. Government may result in suspension or debarment. We expect you to take these rules very seriously and have no tolerance for those who fail to understand the importance of these requirements.

Although it is your responsibility and obligation to stay current with legal requirements involving U.S. Government work, for your convenience we summarize a few key issues below. This summary does not attempt to cover everything you need to know.

This Supplement and our *Supply Chain Ethics & Business Conduct Principles* is a part of every contract you have with us when we work together on U.S. Government funded projects. Thank you for your commitment to doing business with integrity.

Respectfully,

A handwritten signature in black ink, appearing to read 'Michael McKelvy', written over a horizontal line.

Michael McKelvy

President

CH2M HILL Federal Business



Truth in Negotiations Act (TINA)

TINA requires CH2M HILL to provide the U.S. Government with accurate project cost and pricing information to support procurement negotiations and evaluations. We must certify that information that we provide to the U.S. Government is accurate, current, and complete. As a member of our supply chain you must be prepared to certify that the information you provide to CH2M HILL in support of our U.S. Government projects is accurate, current, and complete.

Procurement Integrity Act (PIA)

PIA and several other laws and regulations mandate rules and ethical conduct for U.S. Government officials and contractors, including their suppliers and subcontractors. It prohibits U.S. Government employees from soliciting or accepting—and U.S. Government contractors, their subcontractors and suppliers from

offering—future employment, gifts, gratuities or entertainment as a quid pro quo for contract awards. Should you become aware of an improper benefit given to a U.S. Government employee on a procurement related to CH2M HILL's work for the U.S. Government, you have an obligation to immediately notify your contact at CH2M HILL about the situation and to cooperate with us in our disclosure and resolution of it. It also prohibits unauthorized disclosure or solicitation of U.S. Government information developed by government agencies and competitor proprietary information.

PIA also prohibits unauthorized disclosure or solicitation of information developed by U.S. Government agencies and use of proprietary competitor information in connection with procurement of U.S. Government work. Never engage in such unauthorized use of information, and if you become aware of it in connection with our projects, notify us immediately and cooperate with us in providing disclosure.

Reasonable and Allowable Costs

CH2M HILL and members of our supply chain must strictly comply with U.S. Government regulations on cost allocation and charging in our performance of U.S. Government contracts. Only costs allowable for reimbursement under relevant regulations can be charged to our U.S. Government customers. CH2M HILL expects our partners, suppliers and subcontractors to take all steps necessary to assure that only reasonable and allowable costs are charged to the U.S. Government.

False Claims Act (FCA)

FCA helps the U.S. Government surface waste and abuse of government property and resources by imposing penalties and fines on those who make inappropriate claims for payment under U.S. Government contracts. FCA invites taxpayers to report such violations and, when appropriate, file lawsuits against U.S. Government contractors and their suppliers. The FCA covers any improper claim for payment under a contract with the U.S. Government, including improper claims made by suppliers and subcontractors to CH2M HILL. CH2M HILL expects the members of our supply chain to always follow applicable U.S. Government contracting procedures

when requesting payments or making claims. Always provide timely notification of any overpayment claimed or received in connection to your work with us for the U.S. Government. Such self disclosure is a requirement under FCA, and failure to do so will increase your and our penalties and may result in your and our debarment from doing work for the U.S. Government.

Contingent Fees

U.S. federal law and CH2M HILL policy prohibit the payment of contingent fees for soliciting or obtaining work on U.S. Government contracts. As our partner, supplier or subcontractor you must not pay or accept any contingent fees in order to solicit or obtain U.S. Government work.

Anti-Kickback Act

The Anti-Kickback Act prohibits CH2M HILL and members of our supply chain from accepting, soliciting or offering kickbacks to secure or provide U.S. Government work. It also prohibits inclusion of kickbacks into the contract price of any U.S. Government contractor. CH2M HILL does not engage in kickbacks in connection with U.S. Government or other customers' work, and expects our joint venture partners, suppliers and subcontractors to prohibit this activity in their business dealings.

"Rules are for everyone."

— *The Little Yellow Book*

Learn more about **The Little Yellow Book** at:
www.ch2mhill.com/ethics



Mandatory Disclosure of Violations

When working on U.S. Government projects, CH2M HILL's joint venture partners, suppliers and subcontractors are required to promptly disclose to CH2M HILL and the U.S. Government any circumstances where credible evidence exists of a violation of applicable law or receipt of an overpayment.

Code of Conduct

The U.S. Government requires its contractors, subcontractors and suppliers to have a written code of ethics and business conduct, and to make this code of conduct available to each employee engaged in the performance of work funded by the U.S. Government. CH2M HILL encourages all members of our supply chain to maintain a code of ethics and business conduct, and to implement an effective business ethics awareness training and compliance program in accordance with U.S. Government requirements.

Certifications

Prior to working with its contractors, subcontractors or suppliers on U.S. Government work, CH2M HILL often requires a certification on their ability to work effectively on U.S. Government projects, including certification on debarment, suspension, terminations for default, conflicts of interest, and inclusion on the Excluded Parties List System (EPLS), to name a few. CH2M HILL expects members of our supply chain to provide us with current, complete and accurate information required in these certifications and to update this information as circumstances change.

Reporting Concerns without Retaliation

As a member of our supply chain, you have an affirmative obligation to report any credible suspicions you have about possible violations of this *Supplement* or our *Supply Chain Ethics & Business Conduct Principles*, to comply with any investigation or audit, and to openly and honestly share information relevant to such investigations. We will make every effort to safeguard your confidentiality and, if applicable and wherever allowed by local law, your anonymity.

You can ask questions or raise concerns by calling our hotline, *The GuideLine* at +1-866-924-4843 (U.S. and Canada), +1-720-286-4843 (outside North America), or via the web at www.ch2m.com/guideline. CH2M HILL will promptly, thoroughly and fairly investigate all reports, and will take appropriate action.

You should feel free to report any suspected violation of the law, policy, our *Supply Chain Ethics & Business Conduct Principles* or this Supplement without fear of your association with CH2M HILL being adversely affected. We expect members of our supply chain to prohibit retaliation against any individual for reporting a possible violation of laws and ethics and business conduct policies in good faith.

"A good test to determine if a contemplated action is ethical is to ask, "Would I want to see it in the headlines tomorrow morning?"

— *The Little Yellow Book*

Learn more about *The Little Yellow Book* at:
www.ch2mhill.com/ethics

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