



## POLICY INTENT NOTICE

PIN: 76

### SUBJECT

Inspection Services Companies and Project Management:  
Ethical Practices and Incompatible Activities

Effective: 05/07/2024



### PURPOSE

This Policy Intent Notice (PIN) clarifies what constitutes conflict of interest for Inspection Services Companies performing consulting services and Project Management on Office of Statewide Hospital Planning and Development (OSHPD) projects.

The separation of the Design Professional of Record (DPOR) and Contractor of Record (COR) from the Inspector of Record (IOR), and other parties hired by the Hospital Governing Board or Authority, provide a partition allowing the IOR to perform their duties without undue influence, which could impact the competent, adequate, and continuous inspections.

### BACKGROUND

Inspection service companies place IORs with construction projects amongst other services. Provision of IORs and project management, or other similar services, on the same project presents a significant conflict of interest. If an inspection services company places an IOR on the project, then company/IOR may not:

1. Engage in Project Management
2. Include an IOR on a project record without inspection responsibilities.
3. Provide general contractor quality control (QC)
4. Act as a facility representative
5. Have contractual affiliations with approved agencies and/or special inspection companies or individuals.

### POLICY

This PIN is a statement of incompatible activities deemed as conflicting with an IOR's duties.

When an IOR is placed by an inspection services company on a project, the individual IOR shall be recognized in the project record, not the company. Individuals without inspection responsibilities cannot be presented or represent themselves as an IOR.

An IOR shall act in a professional manner, demonstrate informed judgement, and recognize the need to protect the profession from allegations misuse of title or profession.

To avoid undermining the profession of IOR, an IOR shall not:

1. Undertake outside activities that created demands that impact an IOR's ability to perform competent, adequate, and continuous inspections.
2. Accept or receive, directly or indirectly, anything of value from an individual or organization that do or seek to do business in an area under OSHPD jurisdiction.
3. Engage in any employment that may be considered to be incompatible or has the potential for a conflict of interest.
4. Perform inspection service, when the inspection services company, which placed them, performs consultation or project managements services at an OSHPD covered project.

**Professional Ethics**

An IOR operates as a professional and is expected to follow a code of ethics that ensure that the IOR will not take employment or positions that may be considered a conflict of interest.

The professional code of ethics promotes Integrity, Honesty, and Objectivity. The ethical standards, when followed, safeguard the profession and public from activities that erode the requirements of independency, objectivity, integrity, and reputation.

[Design Guide for Working on Projects Under OSHPD Jurisdiction- Tips from Experts](#), Section 4.1, Conduct Relative to Performance, details a code of ethics that should be adopted by all Hospital Inspectors of Record.

Original signed	May 7, 2024
Chris Tokas	Date

**APPENDIX**  
**Reference Documents**

1. 2022 California Administrative Code, Title 24, Part 1, with July 1, 2024 Supplement
  - a. [Chapter 7, Article 4: Section 7-144 Inspection](#)
  - b. [Chapter 7, Article 19: Section 7-215 Conduct Relative to Performance](#)
2. 2022 California Building Code, Title 24, Part 2, with July 1, 2024 Supplement
  - a. [Chapter 17A, Section 1703A.1.1 Independence](#)