

## TACCA GREATER SAN ANTONIO CODE OF ETHICS

- Members instill the highest respect for the heating, ventilation, air conditioning and refrigeration (HVACR) contracting profession within their communities.
  - Maintain strict compliance with all laws, regulations and ordinances pertaining to the HVACR industry and business operations prescribed by federal, state, county, and municipal governments.
  - Design, install, service and repair heating, ventilation, air conditioning and refrigeration systems in accordance with accepted industry standards.
  - Develop and maintain an understanding of proper equipment selection to assure customers of safe, dependable and comfortable performance.
  - Ensure that quality, honesty, integrity and good faith are hallmarks of contractors' business practices, including individual contractor sales, advertising, installations and service of HVACR systems.
  - Maintain a clean, safe, respectable and well identified place of business commensurate with the high standards of the profession.
  - Increase the safety and efficiency of the HVACR contracting industry by participating in the education and training programs of TACCA GSA.
  - Develop the highest quality standards of customer service and nurture long term relationships with customers.
  - Encourage and support business development in which skilled and professional HVACR contractors are empowered to provide high-level services to consumers and end-users.
  - Refrain from engaging in any activity defined as cross-subsidization.
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### TACCA GREATER SAN ANTONIO ANTI-TRUST COMPLIANCE PROGRAM

Texas Air Conditioning Contractors Association – Greater San Antonio (TACCA - GSA) is an association of San Antonio area contractors and suppliers who are dedicated to providing their customers with quality service at a competitive price.

TACCA – GSA members are hands-on participants in a high-tech industry. It is an industry with a continually changing technology as manufacturers strive to produce equipment that provides more output, using less energy and featuring environmentally safe coolants.

It is TACCA – Greater San Antonio's mission to assist and enable its members to acquire, serve and satisfy their customers by:

- Providing the highest quality technical and management information and services,
- By promoting good business ethics and sound business practices,
- By being the standard of excellence by which others are measured, By influencing public policy to improve the business climate,
- By enhancing the image of contractor professionalism to government, industry and the public, and, by maintaining and expanding TACCA – Greater San Antonio's membership base and sphere of influence.

Essentially, TACCA – GSA serves as the focal point in the local HVACR contracting industry information exchange system. We are constantly bringing competitors together to exchange information. We sponsor meetings with contractors, distributors, manufacturers, suppliers, consultants, government representatives and legislators. We establish the framework that permits our members to be the best competitors possible.

As a trade association, TACCA – GSA operates under articles of incorporation, bylaws and policies established by its Board of Directors.

TACCA – GSA conducts meetings, seminars, informational exchanges and other activities in strict conformance with the requirements of all federal and state laws.

The Association has a strong anti-trust compliance program and makes a special effort to ensure that all staff and association leaders are knowledgeable regarding anti-trust restrictions on association activities.

### **Notice and Agenda of Meetings**

The TACCA – Greater San Antonio Executive Director sends out notices of all association meetings in the TACCA – Greater San Antonio CHAPTER NEWS. An agenda listing the issues to be discussed is presented to all Board members in advance of the meeting. If any of these issues are antitrust sensitive, the Executive Director confers with counsel to determine what boundaries should be placed on the discussion. The Executive Director also advises those attending the meeting what can be discussed and what cannot be discussed. Informal “rump sessions” after official TACCA – GSA meetings are not allowed.

### **SUBJECTS TO AVOID AT MEETINGS**

#### **Price Fixing**

Any discussion that either directly or indirectly relates to current pricing practices or conditions of sale of competitive TACCA – Greater San Antonio contractors and suppliers must be avoided.

Costs incurred by members for materials, labor and HVACR equipment may be discussed for informational purposes but no agreements may be reached or consensus positions developed as to what is a reasonable price or a reasonable cost.

Guarantees offered by various manufacturers may be discussed. Contractors and suppliers can evaluate strengths and weaknesses of guarantees. Contractors and suppliers cannot agree to offer only a certain type of guarantee. Such an agreement relates to a term or condition of sale and is equivalent to an agreement to fix prices.

Credit terms are also a condition of sale. Although contractors and suppliers may exchange information relating to credit terms offered to consumers, contractors and suppliers should not agree to adopt a uniform credit policy (i.e. all customers will be charged 1 1/2% per month on balances over 30 days old).

#### **Customer Allocation**

Any agreements allocating specific customers or geographic service areas are clearly illegal. Customer allocations would include situations where two competitors agree that Competitor A would serve all the Wendy’s and K-Mart stores and Competitor B would serve all the McDonald’s and Sears stores. Territorial allocations would include situations where two competitors agree that Competitor A would get all the consumer calls on the north side of Loop 410 and Competitor B would get all the consumer calls on the south side of Loop 410.

#### **Bid Rigging**

Bid rigging is another form of price fixing. Under a bid rigging agreement, several competitors would get together and examine a proposed bid. It would be agreed that Competitor A would take the bid and all other competitors would bid high. On the next proposed bid Competitor B would get the bid and all other competitors

including Competitor A would bid high. Price fixing, customer allocations and bid rigging are what are known as per se violations of the Sherman Act. A person found guilty of a per se offense is guilty of a felony. This is a criminal violation that includes a mandatory jail sentence.

## **SUBJECTS TO BE DISCUSSED WITH CARE**

### **Relations With Manufacturers**

A subject of great concern to all contractors and suppliers is the subject of manufacturer relations. Issues such as quality, product efficiency, pricing, delivery schedules, guarantees, direct selling, etc. are all issues that may be discussed at TACCA – Greater San Antonio meetings. However, there are definite limitations on such discussions. Contractors and suppliers must not agree to boycott or refuse to deal with a manufacturer or group of manufacturers in response to a practice engaged in by the manufacturer or manufacturers.

### **Standards and Certification Programs**

Contractors and suppliers may adopt standards and may develop a certification program for the industry. However, such programs require the imposition of limitations on the competitors. As such, they are subject to review under the “rule of reason” test set forth in Sherman Act case law.

### **The Role of the President**

All TACCA – Greater San Antonio meetings are conducted by the President or designated Chairperson, as established by TACCA – Greater San Antonio Bylaws. The President is responsible for making sure that the meeting:

- Starts and ends on time
- Covers only the items on the agenda
- Permits all attendees an opportunity to be heard
- Has accurate minutes of all subjects discussed and votes taken
- Does not include discussions of inappropriate topics

### **Association Records**

TACCA – GSA maintains careful records of all association activities. Minutes are presented to the Board of Directors for approval.

The Association also maintains detailed financial records of all association functions. TACCA – Greater San Antonio’s Executive Director provides the Board with records, invoices and expense statements, and monthly status of accounts information. The Executive Director provides the Board with Budget analysis documents and maintains membership account records. The Treasurer provides the Board with a Monthly Treasurer’s Report and verifies the bank reconciliations of the accounts of the Association. The financial records of the Association are reviewed annually by a CPA.

### **Role of Staff and Counsel**

TACCA – Greater San Antonio has a dedicated Executive Director and Board of Directors of experienced professionals to serve the needs of the membership. The Executive Director attends meetings, keeps the official records, and implements the policies established by the Board. The Executive Director is the chief executive officer of the Association and is directly responsible to the President. Additional paid positions within the association shall be approved as necessary by the Board. All paid employees of TACCA – Greater San Antonio (other than the Executive Director) are directly responsible to the Executive Director. The President is responsible to the Board of Directors.

The Association has retained outside legal counsel. Counsel is available to review Association activities to ensure that such activities comply with relevant federal and state laws and regulations governing Association practices. Counsel is also available to provide guidance to the Executive Director and Board of Directors on how best to implement the objectives of the Association in light of the Association's tax exempt status and the need to observe a strict policy of antitrust compliance.

file: Official Anti-Trust Policy Statement of TACCA – Greater San Antonio