Unlocking a Bipartisan Path for Key Industry Legislation

>> New Opportunities In Natural Gas

>> PLI Rates on The Rise

>> House, Senate Set to Launch Transportation Bills
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From ACEC to You
Council achieving industry "wins" despite congressional gridlock.

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Mergers and Acquisitions
Council Achieving Industry ‘Wins’ Despite Congressional Gridlock

As we look ahead this new year—a presidential election year—the political obstacles to achieving our legislative agenda appear daunting but not insurmountable. Unprecedented congressional gridlock has stymied almost every effort to mount an effective recovery agenda. And now, neither party wants to give the other any advantage in November. This just means we will have to work harder, and we are.

Despite this difficult environment, the Council has already scored several noteworthy “wins” for our industry—including repeal of the 3 percent withholding mandate, repeal of the onerous IRS 1099 filing mandate, and extension of current federal highway, airport and transit funding levels.

We continue to aggressively promote actions that matter most to our members—a long-term, fully funded surface transportation bill; multiyear funding for water and wastewater infrastructure; a comprehensive energy bill; and regulatory reforms for greater outsourcing, expedited service to clients, and more efficient procurement and development procedures for project delivery.

In this issue of Engineering Inc., congressional leaders and government relations experts from our Member Firms offer insights for meeting our industry’s legislative goals in this difficult political environment. (See page 8.) This issue also explores opportunities in the burgeoning natural gas market. (See page 12.)

And our upcoming Annual Convention in Washington, D.C. (April 15–18), is shaping up as another “can’t miss” advocacy and business development event with major political and industry speakers. (See page 24.)
In the complex field of engineering, experience is critical—and insurance is no different. That’s why the ACEC Business Insurance Trust (BIT) team, partnered with Marsh, used our 28 years of experience to create insurance programs tailored specifically to the needs of engineers.

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Successful Teaming Fair Again Set for ACEC Annual Convention

Because last year’s inaugural Teaming Fair was so successful in helping increase contracting opportunities for Member Firms, another bigger and better Teaming Fair is slated for the upcoming Annual Convention, April 15–18, in Washington, D.C.

The 2012 Teaming Fair will once again feature large and small Member Firm representatives coming together to discuss subcontracting opportunities on federal projects. It will also be conducted in a larger facility and be extended to three hours, as opposed to last year’s two-hour event.

Ninety-five percent of last year’s participants said it provided value to their firm, including savings on time and traditional costs of meeting with large firms to evaluate teaming opportunities. They also said they looked forward to participating in the 2012 event. As last year, the one-on-one interviews will be based upon pre-scheduled appointments.

Small firms interested in participating should register for the Teaming Fair at the same time that they register for the 2012 Annual Convention. Interested participants should act quickly, as appointments will be handled in advance on a space-available basis.

Because of anticipated high interest in this program, small firms will also be asked to prioritize their meeting requests and encouraged to have their SF 330 Part IIs or other qualification information available as part of the interview process.

For more information on the 2012 Teaming Fair, contact Mark Steiner at 202-682-4343 or msteiner@acec.org.

Survey: Engineering Students Study More Than Peers

U.S. college engineering students study about five hours more each week than students majoring in other fields, such as business or biological sciences, a recent national survey shows.

The National Survey of Student Engagement (NSSE) each year provides diagnostic, comparative information on the effectiveness of educational practices at participating colleges and universities. NSSE’s most recent results, released in November 2011, are based on responses by more than 400,000 undergraduates, all of them freshmen or seniors, at nearly 700 U.S. colleges and universities.

Results show that full-time college students study 15 hours a week on average. Study time differed by academic major, with senior engineering students averaging about 19 hours per week. Their peers in the social sciences and business averaged five fewer hours per week.

Senior engineering students (42 percent) were also more likely to spend more than 20 hours studying per week than those majoring in physical sciences (36 percent), biological sciences (34 percent), arts and humanities (31 percent), social sciences (23 percent) and business (19 percent).

“Our findings suggest that college and university faculty and academic leaders need to reflect on their expectations for academic work, particularly by discipline,” said Alexander C. McCormick, NSSE director and associate professor of education at Indiana University. “The central message is that providing opportunities, activities and environments supportive of learning and student success is a concern that should permeate the campus.”
Let's face it, M&A can be risky business. And the reality is that, for both buyers and sellers, success often hinges on having the right team of experienced advisors. Nobody has more insight, more A/E industry experience, or more guts to be a trusted and objective voice than PSMJ. We haven’t gotten to where we are by just “doing deals”.

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This original research from PSMJ is a must-have for A/E firm leaders looking for the latest information on what’s behind the latest M&A activity in the A/E space and where it goes from here!
House, Senate Poised to Act on Multiyear Surface Transportation Bills

The House Transportation and Infrastructure Committee is expected to unveil a five-year surface transportation bill that maintains current funding and significantly reforms project delivery and environmental review laws. Speaker of the House John Boehner has stated his intention to move the bill through the House in early 2012.

ACEC has been working closely with Committee Chairman John Mica (R-Fla.) and his staff on the bill. It is expected to reflect many Council-supported policies, including an emphasis on utilizing private-sector engineering services, as well as program consolidation for increased state flexibility, expanded private sector participation in project financing and delivery, and additional tolling for new capacity projects.

Entitled the “American Energy & Infrastructure Jobs Act,” the House bill will expand domestic oil and gas production and use the anticipated revenues to help finance the transportation funding levels in the bill.

In the Senate, the Environment and Public Works Committee has unanimously approved the highway portions of a surface transportation bill that also focuses on program consolidation and project delivery reforms and expands the Transportation Infrastructure Financing and Innovation Act program to $1 billion per year to leverage more state and private financing for projects. The Commerce, Science & Transportation Committee has passed the highway safety and freight pieces of the legislation. Once the committees responsible for transit programs and financing act, the stage will also be set for Senate action in early 2012.

The Senate version of the bill totals $109 billion over two years, consistent with current funding plus inflation, including $85.3 billion for highway programs.

Transportation Funding Set for 2012

The House and Senate finalized the annual appropriations bill for the U.S. Department of Transportation (H.R. 2112), and the president has signed it into law.

The bill capped highway funding at $39.14 billion, a $2 billion reduction from 2011 formula funding, but significantly higher than the $27 billion included in an earlier House version. The bill also added $1.66 billion in emergency highway relief. Transit funding totaled $10.6 billion, including $8.36 billion for buses and bus facilities and $1.955 billion for capital investment grants—a $360 million increase above current levels. Airport improvement project funding was reduced $165 million to a total of $3.35 billion. Amtrak received $1.45 billion, including $952 million for capital expenses. No funding was provided for high-speed intercity passenger rail.

Having successfully avoided major funding cuts, ACEC and its coalition partners are now lobbying aggressively for multiyear transportation and aviation authorization bills that would increase funding for those programs.
ACEC President Dave Raymond was among guests invited by the White House to take part in the signing ceremony. Raymond also was a speaker at the U.S. Chamber-sponsored victory reception for 3 percent repeal.

“The signing of H.R. 674 by the president is a huge win for business and prevents a severely flawed provision from delivering a harsh blow to the nation’s overall economic recovery,” said Raymond.

The mandate required federal, state and certain local agencies to withhold 3 percent of payments owed to engineering firms and other businesses for services provided. Intended as a tax enforcement mechanism, the realities of implementing and enforcing the mandate were quickly brought to light.

It is estimated that the mandate would have cost agencies more to implement than would be recovered by the IRS. The Department of Defense alone estimated its five-year implementation cost to be $17 billion.

ACEC Wins Support for Corps Outsourcing; Water Program Cuts Softened

At ACEC’s urging, Congress included language in the year-end omnibus appropriations bill that promotes contracting out on U.S. Army Corps of Engineers work. The language was added to balance new authority for municipalities to use the Corps for certain projects that are ongoing and had been previously funded through earmarks.

ACEC raised concerns with Congress that such new authority could result in work being in-sourced by the Corps. In the conference report accompanying the final bill Congress declared: “The conferees do not expect these changes to result in more architect/engineer design work being undertaken by Corps personnel. The conferees expect the Corps to continue its contracting efforts for such services as in prior years.”

ACEC also aggressively lobbied against draconian cuts to federal drinking water and wastewater programs in the omnibus appropriations bill. The final bill, agreed to by the House and Senate, now includes only modest cuts.

The bill allocates $1.46 billion to U.S. Environmental Protection Agency’s Clean Water State Revolving Fund (SRF) in F.Y. 2012, a slight reduction from the $1.5 billion funding level in 2011. The Drinking Water SRF program was funded at $919 million, very close to F.Y. 2011 levels.

ACEC-Backed Business Travel Tool Signed Into Law

Congress cleared legislation before the end of the year, which has since been signed into law, creating a new Asia-Pacific Economic Cooperation Travel Card. The government-issued cards will ease business travel between Pacific Rim cooperating countries by lifting visa and other procedural requirements.

During congressional consideration, ACEC worked with bill sponsors to expand the program to ensure that, in addition to U.S. citizens, permanent residents and other qualified employees of U.S. firms are eligible.

“This is a good idea that will make it easier for firms to conduct business in this growing region,” said Manish Kothari of Sheladia Associates, Inc., chairman of ACEC’s International Committee.

For More News
For weekly legislative news, visit ACEC’s Last Word online at www.acec.org.
Federal lawmakers have done little to mask the vitriol that has stymied efforts to reduce the nation’s debt load and speed economic recovery. As candidates gear up for a presidential election year, several Washington and industry insiders are concerned about the impact party-line politics will have on Congress when dealing with legislation critical to the engineering industry, especially a new multiyear transportation package.

“Congress can’t agree on a way forward, and the administration doesn’t seem to be able to put forth really bold efforts to take the initiative,” says Jay Farrar, vice president and manager of the Washington office of Bechtel Corp. “That’s very frustrating for everybody.”

Election years are always tough. But the political gridlock projected in 2012 is potentially unprecedented. Neither side wants to give the other the advantage of a political victory that could curry favor with voters this November.

“In previous years, we at least saw some infrastructure bills and earmarks that members of Congress could use back home for ribbon cuttings,” says Robin Black, director of government relations at CDM. “I think this is the first election I’ve seen where we don’t have that.”

In addition to transportation, the fate of legislation for water and energy projects hangs in the balance. Here’s a look at some major engineering issues that need congressional action in 2012.
Despite a flurry of activity in U.S. House and Senate committees at the end of 2011, doubts linger over lawmakers’ ability to pass a new multiyear surface transportation program to replace the current extension that expires at the end of March. Late last year, House Republicans outlined a transportation reauthorization proposal that also would expand domestic energy production and eliminate duplicative reviews. Revenues from expanded oil and gas drilling would help finance the proposed transportation package, which would span five years at a funding level that at least matches current spending based on an outline provided by House Speaker John Boehner’s (R-Ohio) office.

House Transportation and Infrastructure Committee Member Rep. John Duncan (R-Tenn.), chairman of the Highways and Transit Subcommittee, says it’s a priority among legislators to pass bills that create jobs, which is why he’s working with colleagues to identify additional revenue to fund surface transportation programs at current levels.

**Legislative Scorecard**

### Transportation

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Status</th>
<th>Prospects for 2012?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiyear surface transportation bill</td>
<td>Current extension ends in March 2012; House proposal: five-year bill at current funding; Senate proposal: two-year, $109 billion</td>
<td>Multiyear legislation is possible; Congress could fall back to another extension</td>
</tr>
</tbody>
</table>

### Water

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Status</th>
<th>Prospects for 2012?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Water State Revolving Fund and the Drinking Water State Revolving Fund</td>
<td>$1.46 billion for CWSRF; $919 million for DWSRF</td>
<td>Multiyear legislation doubtful</td>
</tr>
</tbody>
</table>

### Energy

<table>
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<tr>
<th>Legislation</th>
<th>Status</th>
<th>Prospects for 2012?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive energy bill with bipartisan support</td>
<td>Possible individual bills covering appliance standards, modular nuclear reactors, hydro power and cybersecurity</td>
<td>Comprehensive energy legislation is unlikely</td>
</tr>
</tbody>
</table>

“I believe the surface transportation bill is the perfect vehicle for job creation, and we can create more jobs and make funding go farther by streamlining the process.” Duncan says, adding that he is troubled by the fact that the United States takes three times as long and incurs three times the costs to complete infrastructure projects compared with other developed nations.

In November 2011, the Senate Environment and Public Works Committee approved an alternative surface transportation plan—a two-year transportation bill at current costs, plus inflation, which would make $85.3 billion available for highways. The plan calls for accelerated environmental reviews and expands the existing Transportation Infrastructure Finance and Innovation program from $122 million to $1 billion per year to increase federal credit assistance for major projects. When funding for transit and safety programs are added to the bill, the total package is expected to increase to $109 billion over two years.

While the House and Senate failed to act on their respective bills prior to the end of the 2011 session, both are poised to potentially move early in 2012.

“There are many in the industry who desperately want to see a bill passed by March 31, but we have questions about whether that’s actually likely to happen,” says Cathy Connor, senior vice president of government affairs at Parsons Brinckerhoff.

One major hurdle is funding. Transportation projects are partially funded by the Highway Trust Fund, which isn’t large enough to fully fund the program at proposed levels. “So both approaches have funding gaps,” explains Connor. “And nobody knows where to find this additional revenue.”

One option is an increase in the gas tax. “If you talk to individual members of Congress, including Republicans, they will say the gas tax is the easiest, most efficient way to fund the highway and transit program because it’s a user fee,” Connor says. “But it is not politically appropriate at this time to raise the gas tax.”

Bechtel’s Farrar has little confidence that an agreement on a multiyear transportation program will be reached. “My best estimate is that we will wind up with another extension,” he says. “The Senate program will be objected to by a number of people in the House and some in the Senate who don’t like the requirement for additional revenue.”

Because of its smaller price tag, the two-year Senate bill has the stronger chance for passage, although experts contend the funding might not be enough to fuel the nation’s largest projects. “It’s a relatively small bill, and anyone who understands transportation projects knows that two years is not enough time for the highway program,” Black says.
**Water Stoppage**

The political standoff on Capitol Hill is also playing itself out in the debate over key water-resource legislation, including the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF). Despite several proposals, political gridlock in the House could potentially keep a multiyear package from moving forward.

One such proposal, the “Water Quality Protection and Job Creation Act,” authored by Rep. Tim Bishop (D-N.Y.), would reauthorize and expand the CWSRF, direct a study of a water trust fund and establish a new loan program modeled after the Transportation Infrastructure Finance and Innovation Act’s loans and loan guarantees. Many of these elements have historically enjoyed bipartisan support. But these programs continue to face severe budgetary pressures and cuts in 2012.

Engineering executives recognize the importance of SRFs, especially for small and midsize cities working to meet U.S. Environmental Protection Agency regulations and accommodate population growth. “They’re a resource that we shouldn’t be without,” says Clint Robinson, associate vice president at Black & Veatch. “If our goals are to put people back to work and create opportunities, that’s exactly what that money does.”

**Action on Energy**

In recent years, the Senate Energy and Natural Resources Committee has produced bipartisan legislation ultimately enacted into law. Can it now provide a model for ending political gridlock by offering a successful bipartisan energy package in 2012?

Sen. Lisa Murkowski (R-Alaska), a ranking committee member, is optimistic. In the previous legislative session, energy bills passed with the support of all Democrats and a few Republicans. Today, that balance has shifted. Some pending legislation boasts full Republican support, with partial buy-in from Democrats, she says, adding, “I remain hopeful that good policy initiatives will continue from the committee.”

Energy legislation most likely to pass in the coming months includes several bills already out of committee covering appliance standards, small modular nuclear reactors, hydropower and cybersecurity. But there’s a caveat: “To win broad support, these energy bills will have to make U.S. energy supplies both more abundant and affordable and will also have to be subject to an open amendment process on the Senate floor,” Murkowski explains.

Although there is bipartisan support in the House and Senate for building, say, new transmission lines, Black says talks have broken down over more contentious issues, such as climate change and investments in Energy Department research and loan programs.

**Tax Policy Active in 2012**

Another showdown over tax issues is looming in 2012, as Congress and the administration must agree on whether to extend the tax rate reductions for individuals, capital gains and dividends enacted in 2001 and 2003, and set to expire at the end of the year.

The debate is particularly relevant to the engineering industry, since a firm organized as a partnership, LLC or subchapter S pays taxes under the individual rates. Adding fuel to the fire is the fact that many in Congress continue to advocate for bigger reforms to the tax code, which hasn’t seen major changes since 1986. ACEC wants a comprehensive approach that doesn’t disadvantage firms because of their business structure.

Although the looming presidential election may make it difficult to enact tax reform in 2012, the House Ways and Means Committee has begun laying the groundwork for this process, whether it concludes in 2012 or waits until 2013.

Congressman Dave Camp (R-Mich.), chairman of the House Ways and Means Committee, says today’s tax code is “too complex, too costly, and takes too much time to comply with”—all of which hinders the ability of employers to create jobs.

“Beginning with the first hearing in 2011, the Ways and Means Committee heard repeatedly from employers of all sizes and structures about the need for comprehensive pro-growth tax reform that gives employers certainty and confidence to hire and invest in their businesses and their communities,” Camp says. “In 2012, we will continue to gather additional input from stakeholders so that the plans and approaches we develop result in a tax code that is simpler, fairer and more competitive to help generate the economic growth and jobs America needs.”

**Role of Engineering**

Even if 2012 goes by without major infrastructure legislation, engineering executives say they’ll aggressively push lawmakers for investments that promote private-sector job creation.

“That’s the message we put forth in every forum we’ve been in, whether it’s with members of Congress or members of the administration. And we do it at every level, from individual meetings to high-level senior executive meetings,” explains Farrar.

When it comes to getting members of Congress on board, firm leaders familiar with the legislative process say it’s important for engineers to demonstrate the progress and potential impact of their projects, particularly in a legislator’s home state.

“Engineers can translate for legislators what cutting domestic discretionary programs means to their district,” Black says.

Alan Joch is a business writer based in Francestown, N.H.
Global energy demand is projected to spike by 35 percent from 2005 to 2030. Demand for natural gas will increase by 60 percent in the next 25 years. New drilling and extraction technologies create opportunities for Member Firms.

A Brighter

Advanced drilling technologies create new opportunities for Member Firms in burgeoning natural gas market

Geologists and other experts have predicted the demise of natural gas for nearly half a century. As energy companies reached the limits of extraction technology, utilities began exploring other energy resources, including coal, nuclear and alternative fuels.

But somewhere along the line, projections changed. “New technologies have made natural gas viable once again,” says John Hofmeister, founder and CEO of Citizens for Affordable Energy, a Houston organization that promotes affordable and environmentally sound energy solutions. Hofmeister was also a featured speaker at the ACEC 2011 Fall Conference. Analysts predict global demand for energy will spike by 35 percent from 2005 to 2030. Experts also predict that demand for natural gas will increase 60 percent in that timeframe, making it the fastest-growing energy source. Thanks to increasingly sophisticated extraction methods—horizontal drilling and hydrofracking, to name two—capable of tapping previously...
Light

By Samuel Greengard
unreachable reserves, the future of natural gas burns bright.

Geologists report that the United States has natural gas reserves to fuel the nation’s needs at current demand for 100-plus years. Natural gas, which burns cleaner and has a lower environmental impact than coal and many other fuels, is regaining its reputation as a preferred energy source for heating homes, cooking and powering factories. It’s also increasingly used in trucks and buses as the market for vehicles powered by compressed natural gas (CNG) grows.

For engineers, the resurgence of natural gas translates into new opportunities and, in some cases, challenges. Several shale formations—notably the Marcellus Basin, which spans 10 Northeastern states—figure prominently in future U.S. energy policy. The Marcellus formation alone contains an estimated 1.9 trillion cubic feet of gas and creates a need for a variety of services, ranging from consulting and support services to building infrastructure, including roads, water disposal and drilling support.

Drill Down
The use of shale gas extraction, which began in the 1990s, has expanded rapidly in recent years. The U.S. Energy Information Administration says shale gas now accounts for nearly 46 percent of U.S. natural gas. That’s up from just 14 percent in 2009 and 2 percent in 2000. “Geologists have known that enormous reserves of shale gas exist,” says Barry Worthington, executive director of the United States Energy Association. “The problem has been getting to all of this natural gas and extracting it from hard-to-drill locations.”

Not anymore. Over the past several years, a drilling method known as hydraulic fracturing, or hydrofracking, and horizontal drilling have gone mainstream. The technology essentially allows energy companies to drill into the earth 1,000, 2,500, even 5,000 feet. Once the drillers encounter the shale formation, they drill horizontally. The pipe that follows the drill bends to reach rocks containing natural gas. The fracturing process breaks rocks apart using high pressure and chemicals emanating from compression pumps.

The Marcellus Shale Basin, largely centered under New York, Pennsylvania, Ohio and West Virginia, is a key reason for the recent resurgence in natural gas. But it’s far from the only game in town. Prominent shale formations exist in other parts of the country, including the Bakken formation, largely under parts of North Dakota and Montana, the Eagle Ford formation in South Texas, and the Fayetteville Shale natural gas field in Arkansas.

The preferred method of extraction and general enthusiasm for the process differs by geographic region. New York, for example, has a moratorium on fracking. The stop order is based heavily on environmental concerns, including the disposal of toxic water. Pennsylvania, however, has embraced drilling, placing the Marcellus formation at the crux of its energy policy. Worthington says the drilling is creating thousands of jobs, including many in economically depressed areas.

Environmental Concerns
But the process does not come without concern. Fracking relies on massive amounts of water—nearly 2 million gallons are required for a single instance of fracting. More than 200 chemicals are contained in hydrofracking fluid, including benzene, arsenic and polycyclic aromatics. In some instances, shale extraction methods also generate radioactive materials. Contaminated wastewater and other problems have occurred at some sites, despite the widespread use of advanced disposal and recycling methods.

Environmental groups and some members of the public in New York have expressed concern over the potential contamination of the water supply. New York temporarily banned high-volume fracting while environmental experts study its impact on water supplies and surrounding areas. A set of rules and recommendations is expected later this year. In Pennsylvania, the Delaware River Basin Commission placed a moratorium on drilling in the drainage basin as it sorts out possible water contamination concerns.

The U.S. Environmental Protection Agency (EPA) and several states are closely examining these issues. “There hasn’t been a comprehensive analysis of the risks associated with these operations,” explains Tony Bartolomeo, president and CEO of


Source: National Geographic, 2011
Philadelphia-based Pennoni Associates and a member of the Pennsylvania Marcellus Shale Advisory Commission. “It’s important to understand what an acceptable risk level is and what can be done to mitigate damage.”

**Fuel the Future**

Despite lingering environmental concerns, shale extraction is moving forward and changing the outlook of U.S. energy. Analysts predicted a few years ago that natural gas would hit $8 to $10 per thousand cubic feet, making it too expensive. That didn’t happen. Today, the price hovers at $4 to $5 per thousand cubic feet. What’s more, greater use of natural gas has reduced demand for more expensive liquefied natural gas, an international import.

Utilities and companies also rely heavily on natural gas to power vehicles, particularly bus and truck fleets. Joanna Underwood, president of Energy Vision, an organization that promotes renewable energy, says natural gas-powered vehicles generate 20 percent to 30 percent lower greenhouse gas emissions and typically result in significant fuel savings compared with vehicles powered by traditional sources. The firm predicts a growing market for vehicles using CNG and renewable natural gas (RNG), or biomethane. “CNG is a practical and viable fuel where there’s local use and central refueling,” Underwood says. The trend appears to be catching on. Energy Vision says these vehicles account for nearly 23 percent of all on-road fuel burned in the United States.

For engineering firms, natural gas represents a significant growth opportunity. Worthington says engineering firms are already positioning themselves to handle an array of natural gas services, including on-site construction and maintenance, pipeline construction, geological support and more. In Pennsylvania, Bartolomeo says Pennoni is working to help build out infrastructure needs, including roads, surveys and pipeline easements for the Marcellus Shale formation.

At Michael Baker Jr., Inc., in Moon Township, Pa., where its engineers have been working in the natural gas industry since the 1940s, the focus is on consulting services, supporting drilling operations, building pipelines for natural gas projects and building roads and support networks. “The Marcellus Shale formation is a rich resource of natural gas for the nation, and there’s a significant opportunity for Michael Baker as well as other companies to contribute and benefit,” says Christine Mayernik, the firm’s vice president of business development.

Gannett Fleming, based in Camp Hill, Pa., is another firm taking advantage of new opportunities in natural gas. The company has performed permitting and design services for a dozen energy companies interested in providing water to drilling sites, upgrading roads and bridges and other infrastructure needs. “The short-term and long-term benefits of these projects are enormous, for businesses and the nation’s energy supply,” says Christine Koonz, senior vice president at Gannett Fleming.

**Ease Concerns**

Hofmeister cautions, however, that engineering firms working in natural gas—particularly those involved in the hydro-fracking process—must work closely with the communities in which they plan to drill. “If companies aren’t willing to engage in a community where drilling will take place, and if they won’t provide information to address concerns and fears, they won’t obtain a license to operate,” he says. Firms must also adhere to strict engineering standards and safety protocols. “Otherwise, a few bad operators endanger everyone.”

Many experts agree that engineering firms will likely play a large role in generating buy-in as natural gas drilling expands.

Energy Vision’s Underwood encourages experienced engineers to take the lead in educating business executives, the public and government officials about the potential benefits of natural gas. “Ideally, their role extends beyond merely taking on jobs,” she says. “These engineers can serve as creative sources for taking on problems and solving them. In the end, they will emerge as educators and problem solvers.”

Though concerns linger about natural gas and its impact on the environment, it’s clear that new methods of shale gas extraction are poised to play a central role in future U.S. energy policy. The question for engineers is not whether to get involved, but when.

“Natural gas formations are part of the geology of the United States. They are an incredibly clean and cost-efficient resource that can help the country become more energy-independent,” says Hofmeister. “Engineering firms must take their role and responsibility seriously.”

**Source:** Energy Vision; U.S. Energy Information Administration, May 2009
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It is a buyer’s market for firms interested in purchasing Professional Liability Insurance (PLI), though rates are poised to rise in 2012, according to the 2011 ACEC/AIA/NSPE annual Professional Liability Insurance survey of carriers. Industry watchers say competition among insurance carriers remains high, despite the fact that some providers have pulled out of the market, while still others have tightened underwriting requirements. 

Takeaways

- Survey indicates PLI rates are likely to go up in 2012 and 2013.
- Increase in claims could price some carriers out of the market.
- Carriers recommend firms use qualifications-based criteria when shopping for coverage.
Sixteen carriers answered questionnaires and 12 participated in face-to-face interviews in September 2011, led by ACEC Risk Management Committee members John Farrar, Tim Corbett and Jim Messmore, with assistance from the American Institute of Architects and the National Society of Professional Engineers.

Rates, Premiums, Retention
About half of the carriers that responded to a question on this year’s survey about 2012 rates anticipate a slight increase in price this year. Seventy-five percent of respondents expect price hikes in 2013. Though not every respondent had an opinion about the extent of future rate hikes, none anticipated a decrease in premiums.

The findings mark a stark contrast to the previous three years, when most carriers said rates decreased or remained unchanged.

Though rate hikes are likely, John Farrar, vice president and transportation services manager for Chicago-based Clark Dietz, says continued competition should keep rates competitive. “With more than 50 firms in the marketplace, rates should hold pretty steady as a result of that competition,” he says. As long as engineers have carriers to choose from, rates are not likely to experience significant change, agrees Jeff Connelly, vice president at Marsh and program manager for the ACEC Business Insurance Trust. Joe Bryant, president of the Professional Liability Agents Network (PLAN) and a partner at McGlaughlin Brunson Insurance Agency, says a “surplus of capital” enticed new providers to enter the designer PLI market touting affordable policies. Those carriers soon might find they have underpriced the risk, he says—which could drive them out of the market, or out of business altogether. Corbett, president of industry consultancy SmartRisk, agrees.

He says the current marketplace is “unsustainable” and “out of balance,” largely because A/E revenues and premiums have shrunk, while the number of PLI providers has grown.

Rates depend largely on four main characteristics, according to the survey. Though the rankings differ slightly from one carrier to the next, annual billings are by far the most significant factor, followed closely by type of practice, claims history and project type.

A few older, more established carriers, such as Victor O. Schinnerer, say rates will remain flat for the majority of firms insured, except for the largest firms and those with significant losses. Senior Vice President Kate Frownfelter, who manages the insurance carrier’s construction group, says Schinnerer’s longevity and underwriting discipline have contributed to predictable performance for its book of business. She says firms should be wary of carriers, especially new providers that cut premiums to generate business, because premiums will likely increase as the number of claims filed by policy holders rises.

Despite a widespread expectation of higher premiums in the next year or two, Al Rabasca, director of industry relations for XL Design Professional, stopped short of presaging the return of a hard market. “The capital and capacity are still there,” he says, adding that there is little reason to expect rates to rise as a result of catastrophic losses.

How to Pick a Carrier
When shopping for PLI, the experts recommend that firms look beyond price. Corbett urges designers to “use the same Qualifications-Based Selection process” project owners often employ when choosing an engineering firm. Because designer PLI is so specialized, “it takes a great deal of knowledge and expertise to underwrite PLI correctly and provide the right coverage,” Corbett says. The 16 firms surveyed ranged from three to 54 years of continuous PLI coverage for designers. And their underwriters ranged in experience from five to 40 years.

Coverage offerings are similar, though underwriting restrictions can vary. Experts say underwriting experience, risk management and claims handling are the real difference makers. Some carriers offer helpful tools such as in-depth contract review services or quarterly risk-management webinars to provide additional guidance, convenience and, occasionally, premium credits. Travelers Managing Director John Rapp says his firm personalizes the PLI experience by tapping local experts to review client contracts and handle claims.

In any case, experts say designers should work with brokers and agents with specific PLI experience. Claims-handling experience is particularly important, because designers tend to see more claims than other businesses, explains James Schwartz, A/E project leader at PLI carrier Beazley—in part because “the pool of claimants is much broader” and can include the project owner and anyone injured or anything damaged in a building or on the adjacent

75% of respondents expect price hikes in 2013.
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property. What’s more, he says, designers are “often pulled into claims” filed against subconsultants over issues that do not directly involve design services. “Claims management experience and expertise is of utmost importance in this claims-prone line of business,” says Schwartz.

Where Are the Claims?
When the recession began in 2008, insurance carriers expected the frequency and severity of claims to rise, the thinking being that some project owners would view PLI claims as a potential source of revenue. PLAN says it saw an initial uptick in claims frequency among the 900 A/E firms in its network. Beazley’s Schwartz says his firm saw an uptick in claims “right after the financial crisis hit.” But those numbers have since flattened out.

Though not all insurance carriers report a significant rise in the number of claims experienced, the survey says many have experienced an increase in the severity of claims.

Residential, structural, geotechnical, schools and wastewater projects are among the sectors most likely to experience claims. XL’s Rabasca says his firm is noticing a trend in which claims develop more quickly, sometimes in one to two years, where it used to take as many as four or more.

Claims, of course, can work both ways. Insurance carriers warn that any claim filed by an engineer for an unpaid fee is likely to draw a negligence counterclaim that far exceeds the fees the firm is owed. In that event, Clark Dietz’s Farrar says it is sometimes “better to walk away.”

Jim Messmore, senior vice president at Hanson Professional Services, recommends that firms talk with their carrier before filing a fee claim. If designers don’t involve their carriers early, they will “end up involving them after the fact.”

Deductibles, Limits
Deductibles were moving higher ahead of the economic decline, explains Schinnerer’s Frownfelter. In light of the recession, some carriers have been forced to have “very real discussions” about what firms can pay. Schwartz says carriers sometimes encourage firms to consider lower deductibles out of “concern over their ability to pay” in the event a claim does arise.

Though several respondents acknowledged problems collecting deductibles from insureds, Farrar says most insurance carriers are willing to make reasonable accommodations. Firms that refuse to pay their deductible could lose their policy and might be hard-pressed to find insurance elsewhere, he says.

Some insureds are being asked to provide higher limits on their liability, sometimes more than they should. “We work with our clients to make sure requests for higher liability limits are not excessive,” says Marsh’s Connelly, sometimes helping them “push back” without putting the job in jeopardy.

When Business Is Down
When business is slow, Rabasca urges firms to focus on risk management, loss prevention education and training new leaders. “Take advantage of that time to improve your firm, so that when business comes back, you’ll be prepared,” he says.

Frownfelter advises firms to do their due diligence when considering new projects. “Go back and do your own reasonable risk management evaluations to ensure you’re taking on the projects you should be taking on,” she says. Rabasca says XL offers a “hibernation” program that offers some protection if firms see no alternative to dropping their PLI altogether, or “going bare.” The program allows firms to retain access to some of XL’s risk management and loss prevention resources. If a firm comes back within two years and still meets XL’s underwriting requirements, it can retain its status retroactively, says Rabasca—re-establishing PLI coverage for the period during which it went bare. Roughly 50 firms insured through XL have entered the program, and a few have emerged to regain coverage.

Schwartz suggests that lowering limits enables some firms to retain their coverage without going bare. For instance, dropping PLI coverage limits from $2 million to $1 million can generate between 30 percent and 40 percent in savings, he says. And it keeps more options open.

Characteristics in the Premium Determination Process

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“Go back and do your own reasonable risk management evaluations to ensure you’re taking on the projects you should be taking on.”

Kate Frownfelter
Victor O. Schinnerer

30%—40% Amount a firm can save by lowering its coverage limit.
considering some clients will only work with firms that have active PLI coverage.

Tom Bongi, president of Catlin Design Professional, notes that reduced coverage is a wise option for some firms. Though it is possible to retain new or retroactive PLI after a period of “going bare,” he says, some insurance carriers “worry about the work firms did during the period when they had no insurance.” Firms with continued coverage, even if at a depressed amount, by contrast, would be covered for all the design work completed, which makes them less risky to insure.

On the Horizon

One area that could affect insurance coverage going forward is the emergence of green building codes and the risks associated with the design and implementation of emerging standards in sustainable design and construction.

XL’s Rabasca says carriers will pay close attention to the potential codification of previously voluntary green design standards through the International Green Construction Code (due out later this year) and other emerging standards. If the code places an added burden on design professionals or changes the existing standard of care, “designers need to make sure they get paid for this” because it increases their risk, he says. Though proponents have said the code will not increase project costs, “that doesn’t necessarily mean design professionals won’t have to do more,” explains Rabasca, and that could increase risk.

International projects also are being watched. Of the 16 survey respondents, only four had policies that did not cover claims brought outside the United States and its territories. How carriers handle claims brought abroad is an important factor as firms facing poor economic conditions here look abroad for work, says Connelly.

With different laws often come different levels of exposure, says PLAN’s Bryant. One example is “decennial liability,” a concept in French law and elsewhere that does not require proof of negligence to establish liability for a period of 10 years beyond delivery of a project. As with any project, Bryant says designers should look to their insurance carriers for help in determining whether a project is appropriately covered.


Maureen Conley is a business and technology writer based outside Washington, D.C.
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April 15–18, Grand Hyatt Hotel, Washington, D.C.

2012 Annual Convention & Legislative Summit

DISTINGUISHED SPEAKERS

Ed Rendell
Former Pennsylvania Governor on Infrastructure Politics

Haley Barbour
Former Mississippi Governor on Run-Up to the 2012 Election
INSIGHTS FROM INDUSTRY LEADERS
• Keynote by CH2M HILL CEO Lee McIntire on State of the Industry
• General Session CEO Panel with Steven Blake, ARCADIS; Andrew Buckley, Cardno; and George Little, HDR
• CEO Roundtables and CIO Forum
• 20 Leading-Edge Business Seminars

PREMIER LEGISLATIVE SUMMIT AND FEDERAL MARKETS CONFERENCE
• Lobby Congressional Members on Transportation, Water, Infrastructure and Other Key Business Issues
• Congressional Issues Briefing
• Federal Business Opportunities From Top Agency Officials at the U.S. Army Corps of Engineers, NAVFAC, General Services Administration, Department of Energy, Veterans Administration, State Department and Homeland Security

FEDERAL MARKETS LARGE/SMALL-FIRM TEAMING FAIR
ACEC once again features the highly popular Teaming Fair, where large and small Member Firms can meet to discuss subcontracting opportunities on federal contracts. Small firms can participate in one-on-one interviews with large firms based on pre-scheduled appointments. Read about last year’s Teaming Fair on page 4.

ENGINEERING EXCELLENCE AWARDS GALA
Known as the “Academy Awards of the engineering industry,” this annual black-tie reception, dinner and awards ceremony celebrates the year’s most outstanding engineering achievements.

CONVENTION INFORMATION/EARLY REGISTRATION FEES

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HOTEL INFORMATION
ACEC’s Annual Convention will be held at the Grand Hyatt Washington, located in downtown D.C. between the White House and Capitol Hill and easily accessible by Metro. The ACEC room rate is $295, single/double occupancy, plus 14.5 percent tax. The hotel reservation deadline is Wed., March 7. After this date, rooms may be unavailable or no longer offered at this rate. Rooms are available until the cutoff date or until rooms in the ACEC room block are gone, whichever occurs first.

To make your hotel reservation online, visit www.acec.org/conference/annual-12 and click on “Hotel and Travel.” A reservation confirmation will be sent to you directly from the online reservation agent. Or call toll free, 888-421-1442 and reference ACEC Annual Convention.

To register, or for more Convention information, email meetings@acec.org or visit www.acec.org.
The ‘Perfect’ Cumulative Impact Analysis

An increasingly popular webinar available On Demand serves as a guide for firms that prepare, review or rely on environmental documents under the National Environmental Policy Act (NEPA), the so-called “cumulative impact analysis.”

Owen Schmidt, formerly with USDA in Oregon and Washington, demonstrates a six-part model cumulative impact analysis that accounts for “all that science can tell us, all that the law requires and the rules for when to cut it off safely...both the necessary, and that which can be left out to get to perfect.”

Writing the ‘Perfect’ NEPA Cumulative Impact Analysis is an ideal refresher or go-to reference for anyone who writes or reviews NEPA documents, or works on federal and federally funded projects subject to NEPA. For more information, visit www.acec.org/education.

Webinar topics—whether on-demand or live—range from business best-practices updates to government and private-sector market overviews to legal and risk management areas. Such resources are ideal and cost-effective resources for engineers.

EJCDC Releases New Agreement Between Engineer and Engineer’s Subcontractor

The Engineers Joint Contract Documents Committee (EJCDC) recently released a new contract document for use by engineering firms in subcontracting nonprofessional services.

EJCDC E-562, “Agreement Between Engineer and Engineer’s Subcontractor,” is intended for use when subcontracting a broad spectrum of general services, such as laboratory work, data management, site support, drafting/CAD technical services, incidental fabrication and construction, cost reviews and recordkeeping.

Engineers might also use EJCDC E-562 as a standalone contract for retaining assistance with such tasks in situations where the scope of work is not associated with a specific prime agreement.

The new E-562 document complements existing EJCDC subagreements that engineers continue to use to delegate professional services: EJCDC E-570 (“Agreement Between Engineer and Consultant for Professional Services”), and its companion subagreements E-560 (“Engineer-Land Surveyor”), E-564 (“Engineer-Geotechnical Engineer”) and E-568 (“Engineer-Architect”).

EJCDC E-562 addresses key issues in subcontracting, including payment, insurance, schedule, warranty, safety, flow-down of prime agreement terms and termination. Although suitable for incidental construction (for example, construction of access stairs and ramps in connection with providing a job trailer for the engineer’s staff at the site), EJCDC recommends that standard construction or design-build contract documents be used for more substantial construction projects. See EJCDC’s Construction Series and Design-Build Series standard documents.

EJCDC documents are specifically written for public and private infrastructure and engineered facilities projects in the United States. The documents can readily be customized to suit each project’s unique goals and regulatory requirements.

EJCDC has developed and updated fair and objective standard documents that represent the latest and best thinking in contractual relations between all parties involved in engineering design and construction projects since 1975. You can purchase the new E-562, or any of the EJCDC Contracts, at the ACEC Bookstore. For more information, visit www.acec.org/bookstore.

Important Contracting Protections Available On Demand

Engineers working under design-build contracts must address a number of issues beyond those confronted under traditional design-bid-build delivery.

Insights into those provisions were presented during an ACEC webinar in 2011. In it, EJCDC Counsel Hugh Anderson detailed how the Engineers Joint Contract Documents Committee (EJCDC) has addressed such provisions in a way that protects engineers while providing owners with the professional services that they need to deliver facilities and infrastructure projects.


The ACEC Institute for Business Management provides comprehensive and accessible business management education for engineering company principals and their staffs.

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Risk Management
BY CHARLES W. KOPPLIN AND GLEN R. MANGOLD

From Suspension to Resurrection:
What every engineer should know about restarting a suspended project

Your client just called to tell you to suspend work on a project. You’re devastated because you have six employees dedicated to the project and $35,000 in outstanding invoices. You ask yourself, “Why is this happening? How should I handle it?”

There are many reasons outside a design professional’s control that can prompt a client to suspend or terminate design services. Projects often are suspended during an economic downturn. The client may no longer be able to secure financing, or the market for their project might have dried up.

There could be a regulatory holdup—a governing agency might be unwilling or unable to issue the necessary permits for the project to proceed. The two-week shutdown of Minnesota’s state government in July 2011 suspended all activities except “essential services,” which also stopped all inspections and permit reviews. A natural disaster can make proceeding with a planned project undesirable or impossible for months.

In the event that your firm receives a notice of suspension or termination, your first step should be to review your contract to verify your responsibilities and rights. Your next step should be to stop work and, if possible, reassign the staff to other projects. Then, bill for your services per the terms of your agreement and expect that the client will pay, according to those terms.

Start It Up Again
With some luck, you might eventually get a call from the client asking you to resurrect its project. The client will want to know how soon you can start and when can you finish the design. You’ll be tempted to begin right away. But your better judgment will soon take over. You’ll realize you need to update the plan for managing the project and clarify the steps required to restart it.

Before resuming work on a suspended project, make sure to:
• Review project objectives and scope, design criteria and construction budget
• Verify compliance with new regulations or building codes
• Consider whether computer models need updating
• Revisit costs and schedules

It’s important to review project objectives with the client to ensure they are still valid. The size of the project might have increased or decreased, or the construction budget might have changed. Even if it has not changed, can the project realistically be built for the same price? The ENR 20 City Cost Index for the first nine months of 2011 reported a 5.6 percent increase in building materials year-over-year, including a 7.8 percent increase in steel. Such changes could significantly impact costs.

Be aware that the project will, regardless, incur additional costs, because you will have to establish where you were in the design process when the project was suspended. If the project was suspended during a project phase, such as construction document development, you’ll need to dedicate additional time and resources to establishing where in the process you were when the work was stopped.

Despite these changes, be aware that the client might ask you to complete the project for the compensation agreed to in the initial contract. That’s probably not realistic. Several factors can affect compensation for resuming a suspended project. Be sure to include any costs associated with:
• Staff remobilization
• Project scope or design criteria changes
• Building code revisions or updated studies or reports
• Electronic project model updates due to revisions or updates in computer software
• Staff compensation or firm overhead changes
• Insurance requirements changes

After establishing what it will likely cost to complete the project, you’ll need to negotiate the new scope, schedule and compensation with the client. Redefining the scope, establishing the revised project schedule and construction budget, identifying areas that will require additional work, and outlining the tasks required for project completion should prepare you to negotiate a fair and equitable client agreement.

Charles W. Kopplin, P.E., FACEC, has more than 40 years’ experience as a consulting engineer, including 14 years as the risk manager for an ENR Top 500 design firm. He can be reached at cw.kopplin@gmail.com.

Glen R. Mangold, CPCU, is the managing director of the Architects/Engineers program for Markel Corporation, a provider of professional liability insurance. He has more than 23 years’ experience in the insurance industry. He can be reached at gmangold@MarkelCorp.com.
On The Move

**Randy Larson** was named president of PSI. Larson was formerly president of infrastructure, water and environment at Atkins.

**Baxter & Woodman, Inc.,** appointed **Louis D. Haussmann** chief operating officer. Haussmann, who was elected to the board in 2009, previously led the firm’s transportation group.

**Theresa Grace** joined **Greeley and Hansen** as executive vice president and chief financial officer.

**Gary Wohl** joined **Harris & Associates** as chief financial officer. Wohl oversees the firm’s risk management and information technology departments.

**Marshall Davert** joined **AECOM Technology Corporation** as executive vice president. Davert oversees the performance, strategic direction and growth of all aspects of AECOM’s Americas water business, including water, wastewater, water resources and community infrastructure. Additionally, **Susan Leal** was appointed chief strategy officer and senior vice president for water.

**Michael Baker Jr., Inc.,** a unit of Michael Baker Corporation, appointed **David W. McFayden** senior vice president. McFayden continues to serve as managing director of Baker’s international operations. **William P. Macon** was appointed vice president in charge of the firm’s Department of the Air Force programs. Macon also serves as office principal for the firm’s San Antonio office.

**TranSystems** named **John T. Grow** senior vice president/market sector leader supporting the firm’s states and municipalities group. Grow, who works out of the firm’s Orlando, Fla., office, formerly served as a principal. **Gary Luczak** was named national leader of the firm’s aviation market sector. He is located in Philadelphia.

**Dean Angelakos** joined **Parsons** as senior vice president and regional development executive for New York and New Jersey. Angelakos is based in Parsons’ New York office.

**Jim L. Whitaker** joined **HKS** as senior vice president and principal, leading the firm’s federal market sector and design-build practices.

**Nasri Munfah** joined **HNTB** as a senior vice president and chairman of tunnel services. **Sanja Zlatanic** joined the firm as a vice president and chief tunneling engineer. Munfah and Zlatanic are located in HNTB’s New York City office.

**Dewberry** named **Deborah DeBernard** senior vice president and director of acquisitions.

**Brett A. Brenize** was named vice president with **Gannett Fleming**. Brenize is a partner and senior project manager with the firm’s Construction Management division. **Ahmed A. El-Aassar** was named vice president at **Environmental Acoustics, Inc.**, an affiliate firm of Gannett Fleming specializing in noise and air quality.

**Urban Engineers, Inc.,** named **David A. Steele** vice president. Steele will also continue as the firm’s director of structural engineering.
Members in the News

Welcome New Member Firms

ACEC/California
Alyson Consulting, Ramona
Barry Bevier, Vista
CAB Consulting Engineers, Napa
Hamon Engineering, Alameda
HD Geosolutions, Inc., Woodland Hills
Peterson, Brustad Inc., Folsom
Primera Engineers, Ltd., San Diego
WM Group West Engineers, P.C., Los Angeles

ACEC/Colorado
Eric J. Young, LLC, Highlands Ranch
Purrington Engineering, LLC, Golden
RJ Pagan & Associates, Inc., Castle Rock
VH Engineering, LLC, Denver

ACEC/Connecticut
Paul F. Schmidt, P.E., Guilford

ACEC/Florida
Cardno TBE, Clearwater

ACEC/Georgia
M2 Structural, LLC, Atlanta

ACEC/Hawaii
Engineering Partners, Inc., Hilo
ParEn, Inc., dba Park Engineering, Honolulu

ACEC/Illinois
Bacon Farmer Workman Engineering & Testing, Inc., Marion
DAMA Consultants, Inc., Chicago
Environmental Services, Inc., La Grange
Prairie Engineers of Illinois, P.C., Lincoln

ACEC/Indiana
Engineering Resources, Inc., Fort Wayne
KERAMIDA, Inc., Indianapolis

ACEC/Maine
Acorn Engineering, Inc., Portland

ACEC/Michigan
Desai/Nasr Consulting Engineers, Inc., West Bloomfield
Giffels-Webster Engineers, Inc., Detroit

ACEC/Minnesota
Bollig, Inc., Willmar
CNA Consulting Engineers, Minneapolis
Dynamic Structures, P.C., Hastings
EVS, Inc., Eden Prairie
Lasswell Engineering of Minnesota, LLC, Stillwater
Safe Haven Structural Engineering, LLC, Minneapolis
Solution Blue, Inc., Saint Paul

ACEC/Mississippi
Andrews Engineering, PLLC, Purvis
Atwell & Gent, P.A., Starkville
Guest Consultants, Inc., Brandon
Orion Engineering, Inc., Pascagoula

ACEC/New Jersey
T&M Associates, Middletown

ACEC/New York
AVCON Engineering P.C., New York City

ACEC/North Carolina
Civil Design Concepts, PA, Asheville
Independent Mapping Consultants, Inc., Charlotte
SK Environment & Engineering, PLLC, Hampstead
Wells Global, LLC, Raleigh

ACEC/North Dakota
Kadmas, Lee & Jackson, Inc., Fargo

ACEC/Ohio
Donahue IDEAS, LLC, Columbus
Sol and Materials Engineers, Inc., Kirtland
The Equity Engineering Group, Inc., Shaker Heights

ACEC/Oklahoma
LANCORP Engineering, Tulsa

ACEC/Oregon
Duval Engineering, LLC, Portland
Precision Structural Engineering, Inc., Klamath Falls

ACEC/Pennsylvania
Hydro Consulting & Maintenance Services, Inc., York

ACEC/South Carolina
Keck & Wood, Inc., Rock Hill

ACEC/Texas
Bur J Computer Environments, Inc., Houston
Geosyntec Consultants, Houston
RPS Group, Houston
SE3, LLC, Addison
Solaray Engineering, Inc., Dallas
Southwest Engineers, Inc., Gonzales

ACEC/Virginia
McKinney & Company, Ashland
Waterway Surveys & Engineering, Ltd., Virginia Beach

ACEC/Washington
McMillen Engineering, LLC, Seattle

ACEC/Wisconsin
CBS Squared, Inc., Chippewa Falls
CORRE, Inc., Madison
Edwards Engineering Consultants, LLC, Milwaukee
TRC Environmental Corporation, Madison

Since the ACEC Job Board’s inception in August of 2005, more than 2,000 Member Firms have posted job openings and more than 17,000 job seekers have posted résumés. Find your next new hire at:

www.acec.org/jobbank/index.cfm
Calendar of Events

JANUARY

18 Ethical Decision-Making for PEs: Today’s Standards and Benefits (online seminar)

24 BIM and the Engineer (CASE) (online seminar)

25 2011 Legal Year in Review (online seminar)

31 Clients’ Expectations of Perfection (Standard of Care) (online seminar)

MARCH

6-7 ACEC/Wisconsin Transportation Improvement Conference, Milwaukee

30-31 ACEC/ Virginia Spring Conference, Virginia Beach, Va.

APRIL

31 Clients’ Expectations of Perfection (Standard of Care) (online seminar)

FEBRUARY

2 Driving Financial Performance to New Levels (online seminar)

14 Know What Drives Your Clients: Make Your Firm Invaluable (online seminar)

15 Wage and Hour Issues in Today’s A/E Industry (online seminar)

28 What You Need to Know as a Successful Hazardous Materials and Forensics Expert Witness (online seminar)

MAY

3-4 Applying Expertise as an Engineering Expert Witness, Atlanta

16-19 Business of Design Consulting, New Orleans

JUNE


Additional information on all ACEC activities is available at www.acec.org.

To sign up for ACEC online seminars, go to www.acec.org/education.
Mergers and Acquisitions

International Expansion Into U.S. Fuels Surging M&A Marketplace

Three hundred global industry deals had been announced through 2011 at the time this article was written (Nov. 29, 2011), compared with 226 through the same period a year earlier—an increase of almost 33 percent. Of these transactions, 157 involved a U.S.-based seller—a 12 percent increase over the 140 deals for the same period last year.

These are heady times for domestic M&A, and we expect to see continued heightened activity through the new year, as all the fundamentals remain in place. International expansion into the U.S. market is also likely to continue, despite a temporary slowdown in 2011.

Several deals involving ACEC Member Firms have contributed to this trend:

• RPS Group (Abingdon, U.K.), an energy, environmental management, planning and development consultant, announced the acquisition of oceanographic and metocean consulting firm Applied Science Associates (South Kingstown, R.I.) and Espey Consultants (Austin, Texas), an environmental, water and civil engineering company.
• GHD (Perth, Australia), an engineering, architecture and environmental consulting firm, merged with Winzler & Kelly (Santa Rosa, Calif.) and water and wastewater engineering firm Commonwealth Engineering & Technology (Harrisburg, Pa.).
• Michael Baker Corporation (Moon Township, Pa.) acquired planning, surveying and environmental services firm RBF Consulting (Irvine, Calif.).
• Jacobs Engineering Group, Inc. (Pasadena, Calif.), acquired architecture, engineering and interiors firm KлинgStubbins (Philadelphia).
• RESPEC (Rapid City, S.D.), an energy and mining, water and natural resources firm, acquired Moser & Associates Engineering (Denver), which specializes in stormwater design services, channel restoration and floodplain management.
• Parsons (Pasadena, Calif.) entered into a definitive agreement to acquire Sparta (dba Cobham Analytics Solutions) (Lake Forest, Calif.), a provider of advanced systems engineering, cybersecurity and mission support services primarily to the U.S. intelligence community.
• S&M (Raleigh, N.C.), an engineering and environmental services firm, acquired BBC&M Engineering (BBCM) (Dublin, Ohio), a civil engineering firm specializing in the provision of geotechnical engineering, geodesign, environmental, materials testing and construction observation services throughout the Midwest.

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ACEC Retirement Trust

Why YOU should belong to the ACEC Retirement Trust (Trust)

ACEC Retirement Trust recently announced its decision to partner with Great-West Retirement Services® (Great-West). Great-West is the fourth-largest retirement plan record keeper in the United States¹ and provides defined contribution plan services to 24,000 plans representing 4.4 million participant accounts and $147 billion in assets.²

Together, ACEC Retirement Trust and Great-West offer:

- Specialized, Local Service Professionals
- Time and Cost Savings
- Fiduciary Protection³
- Communication, Education and Enrollment Services
- Plan Design, Compliance and Trust Services
- Flexible, Integrated Recordkeeping
- Fund Review and Investment Advisory Services³

To learn more about the benefits of the ACEC Retirement Trust, log onto our website at www.acercr.com or contact our educational consultant to the trust, Nancy Barrette at Wells Fargo Advisors, LLC at 1-800-521-9463 or via e-mail at nancy.barrette@wellsfargoadvisors.com.

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Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers. GWFS Equities, Inc. is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company, FASCore, LLC (FASCore Administrators, LLC in California) and their subsidiaries and affiliates. Not intended for Plans whose situs is in New York. Great-West Retirement Services® is a registered trademark of Great-West Life & Annuity Insurance Company. GWFS Equities, Inc. is not affiliated with Wells Fargo Advisors, LLC or Nancy Barrette. ©2011 Great-West Life & Annuity Insurance Company. All rights reserved (10/2011). P/N 135985.

¹ Source: PLANSPONSOR magazine, July 2011 (based on year-end 2010 figures). Information and #4 ranking by participant accounts refer to the retirement business of Great-West Life & Annuity Insurance Company and First Great-West Life & Annuity Insurance Company, and to FASCore and reflect all recordkeeping customers: those of institutional partners, TPA clients and Great-West Retirement Services.
² As of December 31, 2010.
³ CAPTRUST Advisors provides fiduciary advisory services to your plan. CAPTRUST Advisors is not affiliated with GWFS Equities, Inc.
When the ACEC Life/Health Trust aligned with UnitedHealthcare, a long-term relationship was forged. Each year, an impressive 92% of engineering firms who choose the ACEC Life/Health Trust remain customers — one of the highest retention rates in the industry.¹ Here are just a few reasons why:

- **Preferred pricing:** As an ACEC member, your firm may be eligible for favorable rates.
- **Satisfied employees:** Chances are, employees’ doctors are in UnitedHealthcare’s provider network — 98% of the U.S. population has local access.²
- **Easier administration through one-stop shopping:** No need to look further than the ACEC Life/Health Trust for medical, dental, vision, life and disability.
- **No need to switch brokers:** Our Designated Installation Team will work with the agent of your choice to make the move to the ACEC Life/Health Trust fast and painless.

Learn why so many ACEC member firms have made the decision to join the ACEC Life/Health Trust and stay with the ACEC Life/Health Trust.

Call 1-877-233-0623 or visit uhctogether.com/acec1 for more information or to download our complimentary white paper.