ACEC States on the Offensive

ACME leading states to protect infrastructure funding for efficient energy use, protecting design engineers' rights.

- Virginia: ACEC won a landmark victory that protects the limits of engineer liability.
- Alabama: Protecting QBS scope of duty.
- Minnesota: Electric Grid protection.
- North Dakota: Minuteman Fund.
- South Dakota: Public project financing.
- Wisconsin: Politically savvy professionals.
- Nebraska: Minimizing highways and roadways.
- Iowa: Protecting revenue sources.
- Illinois: Engineer liability.
- Missouri: Time frame reduction.
- Kansas: Limitation of liability.
- Oklahoma: Limiting liability.
- Arkansas: Legal precedent.
- Texas: Public policy insights.
- Louisiana: Protecting revenue sources.
- Florida: Fight a Florida court decision.

Efficient energy use, protecting design engineers' rights. The ARM's winning business magazine. ACEC leads 3% withholding repeal.

A Closer Look At Renewable Energy

PLI Insurance Rates to Trend Higher

$1 billion jobs / infrastructure bill. $8 billion ballot victory for street and drainage improvements.


Public project financing.

Protest QBS scope of duty. Protect QBS.

Economic losses. Infrastructure insurance.

Awards: The Award Winning Business Magazine. ACEC leads. 3% withholding repeal.
We combine state-of-the-art professional calculating solutions with educational tools to ease students’ transition into the professional world. HP equips the engineers of tomorrow with the finest tools of the trade.

HP 50g Graphing Calculator
Designed by engineers for engineers

Educational Benefits:
• Allows you to use RPN or Algebraic entry
• Allows you to use textbook and single line entry
• Emulators available for large screen classroom demonstration
• Infrared, USB and Serial port facilitate data sharing in the classroom
• Easy editing: copy, cut, paste and undo buttons
• HP Solve: write, edit, and store equations

Professional Benefits:
• 100+ built-in functions
• HP solve: write, edit, and store the equations you need
• Simplifies physics with 42 built-in physical constants

Educational Benefits:
• 2,300+ built-in functions and an extensive equation library helps you perform any task efficiently and effectively
• Unique HP click-and-rotate keys reduce keying errors
• Automatic unit conversion streamlines calculations
• Multiple equation solver

Personalize your 50g with 100s of third-party downloadable apps to meet your individual needs.*

HP 35s Scientific Calculator
HP’s ultimate programmable scientific calculator—great for exams!

Educational Benefits:
• Approved for use in NCEES FE/PE exams
• Allows you to use RPN or Algebraic entry
• Emulators available for large screen classroom demonstration

Professional Benefits:
• 100+ built-in functions
• HP Solve: write, edit, and store the equations you need
• Simplifies physics with 42 built-in physical constants

*Third-party software packages are not supported or endorsed by Hewlett-Packard.

To receive HP Solve, our free calculator newsletter, e-mail us at hpsolve@hp.com

Educators: to receive a free emulator to turn any HP calculator into a powerful teaching aid, visit http://www.hp.com/sbso/product/calculators-emulators/usemulator.html

Go to www.hp.com/calculators for more information and to purchase.

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April 2010
2012 CALL FOR ENTRIES ENGINEERING EXCELLENCE AWARDS
ENGINEERING EXCELLENCE AWARDS

The American Council of Engineering Companies’ (ACEC) annual Engineering Excellence Awards (EEA) competition recognizes engineering firms for projects that demonstrate a high degree of innovation, achievement and value.

For more than 44 years, American engineering firms have entered their most innovative projects and studies in competitions conducted by state member organizations (MOs). Qualifying projects at the MO state level are then eligible to participate in the ACEC national competition.

EEA entries are accepted into one of 12 project categories: studies, research, and consulting engineering services; building/technology systems; structural systems; surveying and mapping technology; environmental; waste and storm water; water resources; transportation; special projects; small projects; energy; and industrial and manufacturing processes and facilities.

A distinguished panel of 25-30 judges possessing a vast array of industry expertise is convened to critique and rank the projects. For three days the judging panel evaluates submissions for engineering excellence, then selects 24 top award winners—16 Honor Awards and 8 Grand Awards. One Grand Conceptor Award will be selected from the 8 Grand Award winners as the overall best engineering project.

Projects from all over the world are rated on the basis of: uniqueness and innovative applications; future value to the engineering profession and perception by the public; social, economic, and sustainable development considerations; complexity; and successful fulfillment of client/owner’s needs, including schedule and budget.

ACEC’s 2012 Engineering Excellence Awards Gala provides firms with national recognition and a platform to showcase their talent and expertise in a dramatic setting. The annual EEA Gala—to be held on Tuesday, April 17, 2012—celebrates, with pride and elegance the most outstanding achievements of the engineering profession.

All National Recognition Awards will be showcased during the EEA Gala awards program.
ELIGIBILITY
Any engineering or surveying firm is eligible to enter the awards program, regardless of whether the firm is a member of ACEC.

GENERAL CRITERIA
1 Both member and non-member firm entries must be submitted to the ACEC national competition through an ACEC state Member Organization (MO).
2 Each entry should be submitted to the state MO in accordance with local rules for the entry. Contact the nearest ACEC MO office for details. However, entries submitted to the ACEC national competition must be submitted in accordance with the rules and requirements outlined in this brochure.
3 An MO may submit 5 entries from its own membership, plus one member entry for every 5, above 10 entered on the MO level. A MO may submit any non-member entries judged by the MO to be legitimate candidates for entry in the national competition. Such non-member submittals will not be counted against the member submittal limitations outlined above.
4 Engineering or surveying projects that have won awards in other state or national organizations’ programs are encouraged to be entered.
5 Projects entered in the competition may have been executed anywhere in the world. Research and Studies (Category A) or Surveying and Mapping projects (Category D) must have been publicly disclosed by the client between November 1, 2009 and October 31, 2011. Construction of projects (Categories B through L – with the exception of D) must have been substantially completed and ready for use between November 1, 2009 and October 31, 2011. See “categories” section for full listing of all eligible categories.
6 Entries in the national competition may be placed in any one of the 12 categories. The entering firm must select the one category that is most appropriate. A project may be entered only once in any category. However, after a project entered in Category A has been constructed, it may be entered in a different category – B through L – in the year when eligible.
7 Each entry must consist of three components:
   ■ Official entry notebook
   ■ Envelope containing submission materials
   ■ Photographic display panel (see “Preparing Your Entry for the 2012 Engineering Excellence Awards”). Non-compliance with the rules may disqualify an entry. Please read the requirements thoroughly.
8 ACEC will not be responsible for any damages to or loss of an entrant’s official entry notebook, envelope, electronic media, supplementary report or photographic display panel.
9 The ACEC Engineering Excellence Awards committee reserves the right to determine the eligibility and category classification for all entries.
JUDGING
Entries will be judged on the basis of overall engineering excellence in each of the 12 categories; on the basis of the work performed by the entering firm only; and according to the rating guidelines listed. Winners and affiliated MOs will be notified.

AWARDS
All submissions are considered National Recognition Award Winners. The panel of judges will select 24 awards at their discretion – 8 Grand and 16 Honor Awards. A Grand Conceptor Award will be selected from the 8 Grand Award winners. The Grand Conceptor will be announced at the Gala as the top national winner selected by the judges, whose decisions on all awards are final. Awards will be presented to the clients/owners and entering firms submitting the winning entries.

PUBLICITY
The public relations and marketing value of participation in the national EEA program is substantial. All national winners will be highlighted in ACEC’s public relations program, which benefits all U.S. engineering firms. Working with participating firms and MOs, ACEC staff will contact local media to announce winners and their awards. Through national and MO efforts, display panels can be exhibited in city administrative buildings, universities, shopping centers and office buildings. These activities enhance direct business development benefits for both local and national award winners. Further benefits are gained through feature stories presented in firm brochures, newsletters and other publications.

RATING GUIDELINES FOR JUDGING
1. Original or innovative application of new or existing techniques...........................................20%
2. Future value to the engineering profession and perception by the public...........................................20%
3. Social, economic and sustainable design considerations..............................................................20%
4. Complexity..................................................................................20%
5. Exceeding client/owner needs..........................................................................................20%
6. Total........................................................................................................100%

RATING GUIDELINE DEFINITIONS
1. Original or Innovative Application of New or Existing Techniques:
   - Does the entry demonstrate the use of a new science or a breakthrough in the general knowledge of engineering?
   - Does the entry represent a unique application of new or existing technology, techniques, materials or equipment?

2. Future Value to the Engineering Profession and Perception by the Public:
   - Will the entry redefine current engineering thinking?
   - Does the entry advance a positive public image of engineering excellence?

3. Social, Economic and Sustainable Design Considerations:
   - Do the solutions identified produce secondary benefits of value to the community environment?
   - Does the entrant’s approach provide society with social, economic, or sustainable development benefits?
   - Does the entrant’s contribution to the project improve the health, safety or welfare of the public or affected environment?

CALL FOR ENTRIES - CATEGORIES

CATEGORY A: Studies, Research and Consulting
Non-design services, projects not involving the preparation of construction documents
- New products, materials and technologies
- Expert testimony
- Basic research and studies
- Computer/software technology
- Technical papers
- Public outreach/ involvement
- Water conservation

CATEGORY B: Building/Technology Systems
- Security plans
- Project feasibility studies/economic/risk
- Value engineering

CATEGORY C: Structural Systems
- Foundations
- Tunnels
- Buildings
- Seismic design
- Towers
- Bridges
- Stadiums

CATEGORY D: Surveying and Mapping Technology
- Geometrics, ALTA, land title and rights surveys
- Control, GPS, monitoring or construction surveying
- Survey mapping, GIS/ LID, photogrammetry

CATEGORY E: Environmental
- Hazardous waste
- Solid waste
- Restoration/reclamation/ remediation
- Air quality
- Noise
- Recycling
- Waste pond management
- Carbon sequestration and trading
- Mitigation

CATEGORY F: Waste and Storm Water
- Wastewater collection/ treatment and disposal
- Residuals management and reuse
- Graywater systems
- CSOs
- Mine tailings
- Agricultural
- Storm water management
- Erosion control

CATEGORY G: Water Resources
- Hydraulics, hydrology
- Surface and groundwater supply development
- Treatment
- Transmission, distribution & storage
- Watershed management
- Water use reduction
- Flood risk management
- Climate adaptation
- Coastal and eco-system restoration
- Locks/dams/water control structures
- Irrigation
4. Complexity:
- Did the entry successfully address very complex criteria or unique problems?
- Were extraordinary problems of site, location, hazardous conditions, project requirements, or similar elements present?
- Did the entry require the use of out-of-the-ordinary technology or ingenuity for achievement of the project’s goals?

5. Exceeding Client/Owner Needs:
- Did the engineer or entrant successfully engage the client/owner in the overall project development process?
- Is it an economical and cost-effective solution?
- How did the final cost relate to the original budget estimate?
- How closely does the entrant’s solution meet the total goals of the client/owner?
- Did the entrant meet the client’s time schedule?

PREPARING YOUR ENTRY
This section describes all required submission materials for entering the 2012 ACEC EEA competition. All materials must be submitted exactly as designated below. Digital files must be PC compatible and appropriate to the information being submitted (i.e., Microsoft Word for text, JPEGs for photos or other images, Adobe PDFs, etc.).

If the submission does not meet the requirements listed, it may be disqualified.

If any part of an entry does not meet requirements listed, that portion of the entry may not be presented for judging.

Extraneous material will be discarded prior to the judging. Please follow the guidelines; no tabbed dividers, no extra pictures on the front and back covers; and no extra handouts or materials are permitted.

No reference to other awards should be included in submitted materials.

In any given year, an entry may be submitted through only one MO. If a project was entered in more than one MO competition, it is the responsibility of the affected MOs to decide which one will enter the project in the national competition.

DATES TO REMEMBER
Submitted materials MUST BE RECEIVED at ACEC by January 6, 2012. Materials received after that date will NOT be accepted. All materials submitted for judging in the national competition become the property of ACEC and may be used in ACEC publications. Panels may be used for displays or other promotional or educational purposes. Submitted materials will NOT be returned.

A company representative must be available by phone on January 18, 2012.


EEA Presentations and Gala Evening: Tuesday, April 17, 2012, in Washington, D.C.

SUBMISSION REQUIREMENTS
The following three main components must be submitted with the national EEA competition entry:
I. Official entry notebook
II. Envelope containing submission materials
III. Photographic display panel

CATEGORY H: Transportation
- Highways
- Rail
- Airports
- Marine/ports
- Public transit
- Intermodal facilities

CATEGORY I: Special Projects
- Safety and security
- Corrosion protection/cathodic protection
- Program and construction management
- Land development
- Trenchless technologies
- Recreational facilities
- Subsurface engineering

CATEGORY J: Small Projects
- Total project construction budget does not exceed $2.5 million. At the entrant’s discretion, except for entries in Category A, projects under $2.5 million are not limited to this category.

CATEGORY K: Energy
- Transmission and distribution
- Power generation
- Renewable energy
- Cogeneration
- Energy storage technologies
- Energy usage reduction programs
- Demand side management

CATEGORY L: Industrial and Manufacturing Processes and Facilities
- Petrochemical
- Biotech
- Manufacturing
- Heavy industry
- Industrial waste
- Materials handling
- Mining, metallurgy, mineralogy
2012 CALL FOR ENTRIES

I. OFFICIAL ENTRY NOTEBOOK
(black, 3-ring, 1/2” binder)

Notebook must include ONE COPY of the following:
(These copies are in addition to those that must be included in the envelope):

- Official entry form (with entry fee attached)
- Signed letter from the client/owner
- Executive summary
- Project description
- Six different photos or graphics (w/ captions and labeled: Photo 1, Photo 2, etc.)
- Photographic display panel (small 8.5” x 11” version)
- CD-ROM
- Supplemental report – requirement applies only to Category A submissions. (Insert inside back cover or separately if too large.)
- Entry fee: A check for $975 for ACEC members and $3,000 for non-ACEC members must be attached to the official entry form in notebook submitted to the ACEC competition. Refer to your MO for local competition fees.

II. ENVELOPE
CONTAINING SUBMISSION MATERIALS

The envelope must have a label affixed to the outside, which indicates the firm name, the project name, and the category in which it shall be judged. The envelope must be large enough to contain originals and copies as indicated below:

1 Original and 10 copies (three-hole punched) of a completed official entry form. The engineer or surveyor and client/owner all must sign the original official entry form stating that the submitted project was substantially completed and ready for use between November 1, 2009 and October 31, 2011.

2 Original and 10 copies (three-hole punched) of a one-page signed client/owner letter, addressed to ACEC, describing the relationship the client/owner had with the entrant in the development of the project and how it exceeded the client/owner needs.

3 Original and 10 copies (three-hole punched) of an executive summary – 1 page; 8.5” x 11” with 1” side margins; double-spaced (minimum 12 pt. type) – describing the problem and solution. Project title and entry category must appear at the top of the page.

4 Original and 10 compiled copies (three-hole punched) of a project description, not to exceed 5 pages – 8.5” x 11”, 1” side margins – addressing items a, b, c, and d as listed below. Project title, category and page number must appear at the top of each page. Entrants may use text (minimum 12 pt.), photos, graphs, etc.

a) Role of entrant’s firm in the project,
b) Role of other consultants participating in project,
c) Brief description of the entrant’s contribution to the project addressing each of the following rating guidelines:
   - Original or innovative application of new or existing techniques
   - Future value to the engineering profession and perception by the public
   - Social, economic and sustainable design considerations
   - Complexity
   - Exceeding client/owner needs. Include total project budgeted cost, total project actual cost, entrant’s portion of the budgeted cost, entrant’s portion of the actual cost, scheduled and actual date of completion information as indicated on the official entry form.

d) Describe in layman’s terms why this project is worthy of special recognition (word count between 100 - 500 words). Explain all factors that comprise the project’s uniqueness such as innovative engineering, challenges faced, and overall social impact. Note: This description will provide the basis for all ACEC publicity on the project.

5 Original and 10 compiled copies (three-hole punched) of a list of the key participants on the project. Provide firm name, address, phone number, website and e-mail address of each participant. Key participants should include contractors, subcontractors, other engineers, architects and designers involved in the project.

6 Three copies each of 6 different photos or graphics (18 total) of high quality 8.5” x 11” printed from digital files. All photographs or graphics must have captions (describe what the photo or graph illustrates) on the back and labeled: Photo 1, Photo 2, etc. (include on CD-ROM: the required photos or graphics must be prepared as JPEGs, RGB, 300 dpi, sized to 8.5” x 11”; captions do not need to be included on the CD-ROM).

PHOTOGRAPHIC GUIDELINES

a) Photographs will be projected on a large screen during the EEA Gala. Therefore, it is extremely important to submit high-quality, high-resolution images.

b) Three of the photographs must be of the completed project and provide the highest level of visual impact for publicity.

c) Three of the photographs should display the planning, start-up, and/or construction phases of the project.

d) One enlarged, unmounted glossy photograph will be requested from each of the 24 national winners at a later time for ACEC’s Engineering Excellence Awards display wall in Washington, D.C. The photograph will be selected from those submitted with the entry.

7 Forty-five copies (three-hole punched) of the photographic display panel (guidelines below) – sized to 8.5” x 11”
color photographs or to 8.5 x 11” high-quality color laser prints (include on CD-ROM as Adobe PDF; 600 dpi, sized to 8.5” x 11”).

8 E-mail addresses of local newspapers, TV stations and radio stations in Excel format. If the MO or the entrant intends to handle all local and national publicity for the project, include a statement to this effect.

9 Eleven compiled copies (three-hole punched) of a press release (up to 2 pages, double-spaced) clearly and concisely describing the project and the entrant’s participation, reflecting on factors listed in point # 4. In addition, indicate the value of the project to the community, identify the number of people served, cost savings, etc. No reference to other awards should be included in the submitted materials.

10 One copy of the CD-ROM must also be included in the envelope. CD-ROMs must be properly labeled to indicate the firm name, the project name, and the category. Be sure to test your CDs on different computers to ensure they are not machine dependent. The CD-ROMs must be read-only (CD-R) and should include the following items in order and titled as shown:

- Official entry form
- Executive summary
- Project description
- Six photos or graphics
- Photographic display panel (small version)
- Media list in Excel format

PowerPoint file with a total of 8 slides including a title slide with the name of the project followed by Photos 1 - 6 and the small version of the photographic display panel. This PowerPoint file will support the presentation of your project to the judges. No sound or animation is permitted. No preset timing or slide show sequencing should be embedded. A sample PowerPoint presentation is downloadable from the EEA website.

11 One copy of the supplementary report containing the findings portrayed with graphs, drawings, etc. (requirement applies only to Category A submissions).

III. PHOTOGRAPHIC DISPLAY PANEL

Panel text and photos should demonstrate the challenges, solutions and innovative uniqueness of key project elements. The panel should be prepared with high-quality photos and graphics with minimal text (250 words maximum).

The photographic panel should meet the following requirements:

1 Panel shall be 30” x 30” square display material, which has a matte finish and laminated over the front and back as follows:

a) front lamination is 5 mil;  
b) back lamination is 5 mil;  
c) panel is no more than 5-6 mil for a total of 15-16 mil in thickness.

Framed or mounted panels will NOT be accepted.

2 Four, 9-inch long strips of Velcro (the hook side only) must be placed on the back of the panel, near each corner of the panel.

3 Maximum of 6 photos and/or graphics shall be used on the panel. Each image shall be a minimum of 7” x 5” or 35 sq. in. A background photo is not considered a photograph.

4 Minimum 32 pt. type for text or descriptions and minimum 28 pt. type for captions and graphics.

5 ACEC logo (download from the ACEC website), title and location of the study or project, client/owner's name and location, and entering firm's name and location (minimum 32 pt. type) shall be indicated on the front of the panel.

6 Leave a 2”x 2” space in the upper right-hand corner of the panel that is free of text or images but carries the panel’s background scheme through this space. This blank space should not be left as a white square. This space will be used by the ACEC EEA Committee to code the entry so any words or graphics in this area will be hidden once the panel is coded.

7 The firm name, the address, the project name, and the category shall be indicated on the back of the panel.

Note: If facilities for production of the photographic display panel are not available in your area, contact Daisy Nappier at ACEC for sources.

Official Entry Form Comments: If your firm was responsible for the entire project, then the Entrant’s portion of the Total Project Construction Budget should equal the Total Project Construction Budget. If your firm was not responsible for the entire project, then the Entrant’s Portion of the Total Project Construction Budget should be the amount of the project construction budget your firm was responsible for.

SHIPPING

Panels must be shipped in mailing tubes.  
Ship all materials to:  
American Council of Engineering Companies  
Attn: Daisy Nappier  
1015 15th Street, N.W., 8th Floor  
Washington, D.C., 20005-2605  
All materials must be received no later than January 6, 2012.  
CHECKLIST: Please review the checklist on the ACEC website to ensure you have included all of your materials before submitting your entry to ACEC.

www.ACEC.ORG
OFFICIAL ENTRY FORM

Furnish all information requested below for each entry (signatures by the submitting firm(s) and the client(s)/owner(s) are required). Firm, project, and client/owner’s name should be typed or printed as they are to appear on the award. Please limit the project name to 45 characters. A fee of $975 per entry for ACEC members ($3,000 for non-ACEC members) must be attached to the copy of this form included in the Official Entry Notebook. An electronic version of this form can be found at: www.acec.org.

Make checks payable to: American Council of Engineering Companies

ABOUT THE PROJECT

Project Name ___________________________________________________________ (limit to 45 characters)

Judge this entry in the following category (check one):

☐ A. Studies, Research, and Consulting
☐ B. Building/Technology Systems
☐ C. Structural Systems
☐ D. Surveying and Mapping Technology
☐ E. Environmental
☐ F. Waste and Storm Water
☐ G. Water Resources
☐ H. Transportation
☐ I. Special Projects
☐ J. Small Projects
☐ K. Energy
☐ L. Industrial and Manufacturing Processes
☐ M. Water Resources
☐ N. Transportation
☐ O. Special Projects
☐ P. Small Projects

Project Location: City ___________________________ State ________________

U.S. Congressional Representative’s name in district where entering firm is located ________________________________

U.S. Congressional Representative’s name in district where project is located __________________________________________

What state is sponsoring this submission? _______________________________________________________________

(Budgeted and/or actual costs may not apply to some studies in Category A)

Completion/Use Dates: Scheduled ___________________________ Actual ___________________________

Category A Costs: Budgeted $ ___________________________ Actual $ ___________________________

Construction Costs: Total Project Budget $ ___________________________ Total Project Actual $ ___________________________

Entrant’s portion of Total Project Budget $ ___________________________ Entrant’s portion of Total Project Actual $ ___________________________

☐ Check box if project was awarded through QBS process.

ABOUT THE FIRM(S) SUBMITTING THE PROJECT

Entering Firm(s) ________________________________________________________________

Firm CEO _________________________________________________________________

Firm Representative _______________________________________________________

Must be available by phone on Wednesday, January 18, 2012

Address (no P.O. Box) __________________________________ City ______________________ State ________ Zip ______

Phone (_____) ________________________ Cell (_____) ______________________ Fax (_____) ______________________

E-mail ______________________________________________________________________

I hereby authorize submission of this project into the American Council of Engineering Companies' 2012 Engineering Excellence Awards competition.

Senior Executive/Principal ___________________________ Title ___________________________

Signature ___________________________________________ Date _________________

Address (no P.O. Box) __________________________________ City ______________________ State ________ Zip ______

Phone (_____) ________________________ Fax (_____) ______________________

E-mail ______________________________________________________________________

ABOUT THE CLIENT/OWNER(S) OF THE PROJECT

Client/Owner(s) ____________________________________________________________

I currently believe the work of the engineer meets the intended uses and expectations for the project and hereby grant permission to enter this project in the ACEC 2012 Engineering Excellence Awards competition, and authorize publication of its outstanding features, unique aspects, or innovations. I confirm that the project was substantially completed and ready for use between November 1, 2009 and October 31, 2011.

Client/Owner Representative _____________________________________________

Title ___________________________ Signature ___________________________________________ Date _________________

Address (no P.O. Box) __________________________________ City ______________________ State ________ Zip ______

Phone (_____) ________________________ Fax (_____) ______________________

E-mail ______________________________________________________________________

SEND THIS FORM ALONG WITH ALL OTHER MATERIALS TO:

AMERICAN COUNCIL OF ENGINEERING COMPANIES
Attn: Daisy Nappier 1015 15th Street, N.W. 8th Floor Washington, D.C. 20005-2605
202-347-7474 dnappier@acec.org
**From ACEC to You**
Council leads campaign to repeal 3 percent withholding.

**News and Notes**
William Bertera to lead new Institute for Sustainable Infrastructure; engineering graduates remain No. 1 in highest offers; CH2M HILL and Burns & McDonnell back education focus with financial support.

**Market Watch**
A closer look at renewable energy.

**Legislative Action**
ACEC and coalition allies launch 3 percent repeal campaign; allies rally for roads as Senate committee unveils transportation bill proposal.

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**2011 Professional Liability Insurance Survey of Member Firms**
As business picks up, Member Firms purchase PLI coverage ahead of projected rate increases.

**Stating Our Case**
Members of the 2011–12 ACEC Executive Committee voice opinions on the economic landscape, the critical role of advocacy, and what it takes to be a great leader.

**2011 Fall Conference Preview**
Caesars Palace in Las Vegas is the setting for an exciting program featuring CEO insights and business opportunities in water, energy and transportation markets.

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**Business Insights**
EJCDC developing new P3, construction management contracts; strategies to energize your firm's financial outlook; leverage technical expertise for lucrative expert witness duty.

**Members in the News**
AECOM taps President and CEO John Dionisio to serve as its next chairman; Kleinfeld and Wright Water Engineers celebrate 50th anniversaries.

**Mergers and Acquisitions**
Resurgent Sunbelt, industry consolidation fuel robust M&A environment.

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HP Calculators: Bridging the Gap Between Classroom and Career

*third-party software packages are not supported or endorsed by Hewlett-Packard.

HP 35s Scientific Calculator
HP's ultimate programmable scientific calculator—great for exams!

**Educational Benefits:**
- approved for use in NCES FE/PE exams
- allows you to use RPN or algebraic entry
- emulators available for large screen classroom demonstration

**Professional Benefits:**
- 100+ built-in functions
- HP solve: write, edit, and store the equations you need
- simplifies physics with 42 built-in physical constants

HP 50g Graphing Calculator
Designed by engineers for engineers

**Educational Benefits:**
- allows you to use RPN or algebraic entry
- allows you to use textbook and single line entry
- emulators available for large screen classroom demonstration
- infrared, USB and serial port facilitate data sharing in the classroom
- easy editing: copy, cut, paste and undo buttons
- HP solve: write, edit, and store equations

**Professional Benefits:**
- 2,300+ built-in functions and an extensive equation library helps you perform any task efficiently and effectively
- unique HP click-and-rotate keys reduce keying errors
- automatic unit conversion streamlines calculations
- multiple equation solver

Personalize your 50g with 100s of third-party downloadable apps to meet your individual needs.*

To receive HP solve, our free calculator newsletter, e-mail us at hpsolve@hp.com

Educators: to receive a free emulator to turn any HP calculator into a powerful teaching aid, visit [http://www.hp.com/sbso/product/calculators-emulators/usemulator.html](http://www.hp.com/sbso/product/calculators-emulators/usemulator.html)

goto [www.hp.com/calculators](http://www.hp.com/calculators) for more information and to purchase.

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The Council Leads Campaign to Repeal 3 Percent Withholding

The decision by the IRS in May to delay enforcement of the 3 percent withholding mandate to Jan. 1, 2013, has temporarily spared the engineering industry. But it doesn’t fix the problem. The only real solution is repeal, and this task is now at the top of our agenda.

In recent testimony before the House Small Business Committee, ACEC and other business witnesses described the extent to which the 3 percent withholding mandate would cripple cash flow and dampen efforts to expand business and create jobs. Members of Congress from both parties agreed that it amounted to bad public policy.

The effort to repeal the mandate has now gathered considerable momentum, gaining the attention of the U.S. Chamber of Commerce and more than 100 other major business organizations. ACEC is at the forefront of this large coalition lobbying effort on Capitol Hill. (See Legislative Action, page 6.)

In Washington and throughout the ACEC Federation, our members are engaged in major legislative and judicial efforts to protect our industry. Our cover story highlights some of their activities and achievements. (See page 8.)

But major challenges lie ahead. One that doesn’t always get the attention it deserves is the changing scope of engineering liability. As reflected in the latest ACEC Professional Liability Insurance (PLI) Survey, Member Firms express special concern over risk issues that can stifle innovation and even lead firms to reject otherwise meritorious projects. (See page 15.)

These challenges and more will be discussed at our upcoming Fall Conference in Las Vegas, Oct. 19–22. (See preview on page 24.) The program is shaping up as one of the strongest ever, with CEOs of major firms as well as experts on water, energy and transportation issues. Don’t forget to make your reservations early to take advantage of discounted pricing.

Terry Neimeyer
ACEC Chairman

David A. Raymond
ACEC President & CEO
You’ve built your business on quality and precision. But no matter how well-trained or careful you or your employees are, mistakes can and do happen. In today’s litigious society, those mistakes are increasingly leading to lawsuits for engineering firms everywhere.

That’s why having the right professional liability coverage—designed specifically for engineers—is critical to the future of your business.

As fellow engineers, the ACEC Business Insurance Trust (BIT) team understands the unique liability risks you face every day in your business. By working with the insurance experts at Marsh, we can help you get the right professional liability coverage—at the right price—for your business.

ACEC BIT Professional Liability Insurance can give you:

• Protection from claims and lawsuits
• Competitive premiums through access to multiple markets
• Comprehensive coverage
• Expert legal counsel and defense of claims and lawsuits

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The ACEC Business Insurance Trust (BIT) has authorized Marsh USA, Inc. to make engineer’s professional liability insurance available to member firms. Neither ACEC nor The BIT endorses any one professional liability provider. It is the objective of Marsh USA, Inc. to offer a choice of providers of PLI coverage. The selection of underwriters may change from time to time.
Engineering Graduates Maintain No. 1 Ranking in Highest Salary Offers

Engineering majors continue to boast fatter salary offers than their peers, according to the latest survey from the National Association of Colleges and Employers (NACE).

The survey, issued quarterly, monitors salary offers of graduating college students in 70 disciplines at the bachelor's degree level. Data is collected from college career service offices nationwide.

Majors in the engineering field dominated the association’s list of top-paying degrees for the class of 2011, with four of the top five spots going to engineering majors. Each of these majors received average starting salary offers of more than $60,000. The only non-engineering major among the top five was computer science, which earned graduating students average starting salary offers of $63,017.

“Tie entire top-10 list underscores the interest employers have in hiring technical majors,” said Marilyn Mackes, NACE executive director. And the interest in these majors isn’t new. Last year’s graduating class of engineering majors was also promised the most attractive salaries.

Chemical engineers were offered the highest starting salaries in 2011—an average of $66,886. Mechanical engineers received salary offers averaging $60,739, and electrical and communications engineering majors saw average offers of $60,646. Computer engineering was the fifth-highest-paying major, with offers averaging $60,112.

Rounding out the 10 top-paying majors (for starting salaries) were industrial engineering, systems engineering, engineering technology, information sciences and systems, and business systems networking or telecommunications.

CH2M HILL, Burns & McDonnell Back Education Focus with Financial Support

ACEC Member Firms CH2M HILL and Burns & McDonnell each recently made $1 million donations to educational facilities to improve engineering and science education.

Washington State University Tri-Cities in Richland, Wash., was the benefactor of the CH2M HILL donation, earmarked to establish a new bachelor’s degree program in civil engineering, plus hire an additional civil engineering instructor and a director of science.

“We’re making an investment that will lead young people in the Tri-Cities to higher education and future careers in science and engineering,” said John Lehew, president and CEO of CH2M HILL’s Plateau Remediation Company, which manages the U.S. Department of Energy’s central plateau remediation contract on the nearby Hanford nuclear site.

Burns & McDonnell donated $1 million through its foundation to support the rejuvenation of Kansas City’s Science City at Union Station, which is among the nation’s leading science centers for young children.

The grant marks the largest investment in Science City since it opened in 1999, and the largest donation ever made by the Burns & McDonnell Foundation. It will be used to fund new exhibits with a science, technology, engineering or math focus, and redesign and expand interior space used by the Burns & McDonnell Engineeringium.

“It’s a well-known theory in the engineering world today that kids don’t make their decision to follow a life of math and science in college,” said Greg Graves, president and CEO of Burns & McDonnell. “Often these decisions are made, whether the kid knows it or not, early in life.”
Renewable energy has been billed as a potential boon for engineering firms. But a closer examination of this emerging sector raises questions about its viability.

Wind and solar are abundant, no doubt. But the costs associated with harnessing that power and distributing it across the national grid are greater than most probably realize.

To inject significant solar and wind power into the existing U.S. electrical system requires The Smart Grid, or TSG. That project, which would enable power providers to distribute renewable energy more broadly is under way, but isn’t expected to be fully operational until 2030. Its estimated cost: between $338 billion and $476 billion, according to a recent report from the Electric Power Research Institute.

Who is going to pay for this? In addition, costs for solar, wind and other energy alternatives frequently omit estimates for increased energy storage, as well as the need for “dispatchable power” to fill any gaps in the renewable pipeline.

From a cost perspective, it seems the U.S. would benefit from a mixed-bag approach, with elements of coal, nuclear power and natural gas sprinkled in. Though advocates tout the benefits of each energy source, renewable gets far and away the most attention. And it’s unlikely that will change anytime soon.

### Realities

Some facts to consider include:

- California law requires major utilities to obtain 33 percent of their electricity from renewable sources by 2020 (some pushed for 40 percent). In 2010, the actual renewable-generated power was 17.9 percent. Much of that came from existing hydroelectric plants. How much more renewable power is needed? A 2009 California Energy Commission estimate put the state’s 2010 electricity use at roughly 280,843 GWh, with 2018 projections hitting 309,561 GWh. If that number is in the right ballpark, the need will be roughly 100,000 GWh from renewable sources by 2020, or double what was generated in 2010.
- Progress on TSG ramped up after 2008 with an influx of federal funding from the economic stimulus package. But several hurdles exist: no follow-up funding; no significant financial commitment from any other source, including utilities; and problems with customer communication, project implementation and initial rollout efforts. Case in point: Smart Grid City, by Boulder-based utility provider Xcel, cost three times the initial projections and was met with heavy criticism from customers.
- Wind power enjoyed a banner year in 2009 when more than 10 GWh of U.S. wind capacity came online. But 2010’s total was roughly half that (5,116 mW). In the first quarter of 2011, only 1,100 mW (1.1 GWh) came online, according to the American Wind Energy Association.
- Even with state and federal tax credits and other benefits, the case for a large solar photovoltaic (PV) installation is tough to make. A Northern California electrical distributor recently told one reporter, “I wanted to put solar PV on my warehouse roof, but I can’t get the payback period down under 17 years.” Most businesses won’t risk an upgrade that cannot promise better than a 6 percent annual return on investment.

### Opportunities

Though renewable power generation has, in many ways, yet to prove itself, a persistent commitment to its potential is likely to create future opportunities for engineering firms.

Energy prognosticator Lux Research last year projected growth in renewable energy capacity from 9.3 GWh (valued at $39 billion) in 2010 to 26.4 GWh in 2015 ($77 billion).

While the capacity to generate power would triple during that stretch, additional expenses ensure the value of such projects would less than double in the same time period.

Firms might choose to focus on the low-hanging fruit—in this case, solar projects. As shown in Table 1, researchers at Zpryme (using their own forecasts and data from ICP and the Energy Information Administration) project electricity generation from renewable resources to grow by 7 percent from 2010 to 2015 (compound average annual growth rate for the period). Whether you believe in the future value of renewable energy or not, there’s little denying that opportunity exists in our nation’s commitment to it.

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**Table 1 Summary of Key U.S. Renewable Energy Market Data Forecasts**

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Measure</th>
<th>2010</th>
<th>2015</th>
<th>CAGR*</th>
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<tbody>
<tr>
<td>Renewables’ electricity generation</td>
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<td>649</td>
<td>7.0</td>
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<tr>
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<td>$87.3</td>
<td>7.7</td>
</tr>
<tr>
<td>Renewable energy manufacturing &amp; technology market value</td>
<td>billions of $</td>
<td>$127.5</td>
<td>$263.2</td>
<td>15.6</td>
</tr>
</tbody>
</table>

CAGR = compound annual growth rate from 2010 to 2015. Source: Zpryme

Joe Salimando writes on construction at www.electricalcontractor.com. Reach him at ecdotcom@gmail.com.
ACEC and Coalition Launch Wide-Ranging 3 Percent Repeal Campaign

A
CEC, the U.S. Chamber of Commerce and more than 100 business associations launched a major grassroots effort in June to generate support for House and Senate legislation to repeal the 3 percent withholding mandate.

The campaign involves letters to Congress, visits with legislators and their staff, and media outreach.

ACEC recently testified before the House Small Business Committee on the effects of the withholding mandate on small firms. Ian Frost, principal of EEE Consulting in Mechanicsville, Va., testified on behalf of the Council and illustrated how the mandate would cause severe cash flow problems for engineering firms. House members also heard from representatives of the U.S. Department of Defense, who said the provision would impose implementation burdens on federal agencies.

The IRS issued final regulations to implement the 3 percent withholding mandate on May 6. The agency announced it would delay enforcement for one year, until Jan. 1, 2013, because federal agencies are not ready to collect the withholding.

“Delay is welcome because it gives us more time to kill the mandate, but the focus needs to stay on full repeal,” said ACEC President Dave Raymond. “Our grassroots campaign is intended to escalate the pressure on Congress to get rid of this mandate once and for all.”

Council Advises Congress, SBA on Proposed Small Business Size Standards

I
n testimony before a House committee and in comments to the Small Business Administration (SBA), ACEC supported a significant increase in the federal size standard for small businesses, but cautioned against going as far as the agency initially proposed.

In testimony to the House Small Business Committee, John Woods of Woods Peacock Engineering Consultants in Alexandria, Va., questioned the SBA’s proposal to boost the size standard of $4.5 million in gross receipts to $19 million—a 400 percent increase.

His testimony on behalf of ACEC also put forward several policy recommendations to recognize and track broader small-firm participation in federal contracts, including efforts to facilitate contracting and teams made up of small, medium-sized and large firms.

ACEC incorporated those recommendations in its comment letter to the SBA. In addition to recommending an increase in the size standard to $10 million in gross receipts, ACEC urged SBA and Congress to revamp contract policies for small firms to better track both prime and subcontracts, to adjust goals measurement to free teams to use various-sized subcontractors, and focus on better scoping and sizing of engineering contracts. SBA is expected to issue its final rule early in 2012.

ACEC Backs Effort to Oppose Executive Order

A
CEC has joined other leaders of the business community in opposing a draft executive order (EO) that would require companies to disclose political spending—and that of their officers and directors—as a condition for bidding for federal contracts.

ACEC’s primary concern is that the EO, if signed, could turn the procurement process into a tool with which to reward political allies and punish political opponents.

The House sided with the Council, adopting an amendment from Rep. Tom Cole (R-Okla.) as part of the F.Y. 2012 defense authorization bill that would block the EO.

The Council’s position is that the federal procurement system already has several built-in safeguards to ensure that contract awards are based on the merits of the bid proposal.

The administration originally drafted the EO as part of its transparency-in-government initiative. The order requires the disclosure of all covered spending for the two years preceding a bid for a contract.
For More News
For weekly legislative news, visit ACEC’s Last Word online at www.acec.org.

ACEC-Supported Offshore Drilling Bills Passed by House

The House cleared a package of ACEC-backed bills last week aimed at moving the nation toward greater energy independence.

H.R. 1230 would reopen lease sales in the Gulf of Mexico and off the coast of Virginia, which were canceled or delayed in the wake of last year’s Gulf oil spill. H.R. 1229 would expedite decisions on drilling permit applications and extend current leases.

A third measure, H.R. 1231, would require the U.S. Department of the Interior to focus on lease sales with the largest known oil and natural gas reserves, as well as significantly increase offshore energy production targets.

Similar legislation is pending in the Senate. For more information, contact Diane Shea at dshea@acec.org.
State Organizations protect industry interests with landmark legislative and judicial victories
**Takeaways**

- Advocacy efforts in states improve business conditions for engineering firms.

- Victories include defeating attempts to cut infrastructure funding and limiting liability for engineering firms.

- As budgets continue to shrink, ACEC State Organizations work to generate alternative funding and maintain existing revenue-generating projects and contracts.

ACEC/Washington accomplished in 2005 what was once believed impossible when it led a multi-stakeholder campaign that secured a 9.5-cent increase in the state’s gas tax to fund transportation infrastructure.

The tax increase went on to generate $8.5 billion—the largest transportation package in state history—and provide funding for 274 transportation projects.
A few months after the gas tax win, a local opposition group collected enough signatures to get a repeal of the gas tax on the next ballot. ACEC/Washington quickly countered with “Keep Washington Rolling,” a broad coalition of business, labor and environmental interests. The group raised $3 million to defeat the gas tax opposition at the ballot box (55 percent to 44 percent). Backers included major employers in the area, such as Microsoft and Boeing, “but it was the engineers who made the difference,” says ACEC/Washington President Bill Garrity, who led the statewide tax increase initiative.

“Engineers contributed more than a half-million dollars to the campaign—more than any other business group in our partnership,” he says. “The engineers set up and ran phone banks at Member Firm offices almost nightly during the campaign. Engineers also became the face of the campaign in TV ads.”

Not only did the victory ensure a steady need for design engineering for years to come, but it also enhanced the reputations of engineers within the state as shrewd political campaigners. “The advocacy campaign built up an enormous amount of credibility for the engineering industry and cemented our place in the business community,” Garrity says.

It would be a sign of things to come. In recent years, ACEC State Organizations across the country have scored numerous and significant victories in protecting statewide and national industry interests—from defeating attempts to slash transportation infrastructure funding to beating back unfair efforts to hold engineers accountable for the negligence of others.

As a result, there is a growing awareness across the country that the engineering industry not only has great technical expertise, but also considerable power to influence public policy for the better.

The influence is critically needed with state coffers running dry, and public project financing on the decline. Project owners have stepped up efforts to recoup costs by any means necessary, and project designers are seen as increasingly lucrative potential targets. State Organizations stand ready to thwart such attacks on the industry.

ACEC/National is aggressively supporting State Organizations’ legislative and judicial advocacy efforts, providing critical resources—from public policy insights to critical financial

### Recent State MO Victories

A sample of the breakthrough public policy victories recently achieved by ACEC State Organizations include:

- **ACEC/Illinois** won a landmark legal victory for the industry when the Illinois Supreme Court ruled that an engineering firm’s scope of duty is “circumscribed by the terms of the contract” and should not be held to a higher standard of care after the fact.

- **ACEC/Alabama** won a 17-year battle to reduce the amount of time after substantial completion of a project during which a lawsuit can be brought against the designers and builders.

- **ACEC/Maryland** and **ACEC/Michigan** both defeated legislative attempts to apply sales tax to design services.

- **ACEC/Nevada** won a State Supreme Court case that protects the limits of engineer liability and essentially bars the client from obtaining a higher monetary award than the contract permits.

- **ACEC/Texas** organized a groundbreaking ballot initiative that secured as much as $8 billion over 20 years for street and drainage improvements in Houston.

“The advocacy campaign built up an enormous amount of credibility for the engineering industry and cemented our place in the business community.”

BILL GARRITY
ACEC/WASHINGTON
backing from its multimillion-dollar Minuteman Fund—to defend state-level issues with national significance.

Limiting Liability
Some recent major court cases deal with the question of shifting liability from the client, or project owner, to the design firm.

In California, two state court rulings imposed a “duty to defend” on engineers when a client is sued by a third party, even if the engineer was neither negligent nor in breach of contract. An opposition effort spearheaded by ACEC/California Executive Director Paul Meyer helped achieve passage of legislation that provides a measure of protection for engineers from such rulings.

In one particularly alarming case, the court held that a defendant engineering firm had to pay $500,000 worth of legal fees incurred by a client plaintiff, despite the fact that a jury found the engineering firm was neither negligent nor in breach of contract.

“We thought that was an outrageous result. So we sponsored a bill last year that reversed that result,” Meyer explains. Though the bill only applies to contracts with local public agencies, “we think it’s a big step forward” in protecting design engineers’ rights, he says.

The Economic Loss Doctrine, recently debated in a case that appeared before the Supreme Court of Nevada, essentially bars clients from obtaining a higher monetary award than the contract permits. The court held that the Economic Loss Doctrine specifically protects engineers and architects.

But it’s not that cut and dried. A legal loophole in the Nevada ruling allows for “negligent misrepresentation” as a possible exception to the Economic Loss Doctrine, which industry experts say opens the door for potential lawsuits.

“You have to have clarification of all these issues, or you end up constantly fighting legal fees,” explains Rita Monroe, former executive director for ACEC/Nevada. “In the long run, you’re better off to head it off up front.”

Elsewhere, ACEC/Virginia recently achieved a liability victory for the industry after state legislation was passed that allows engineering, architectural and land-surveying firms

Making Good on Grants
Recent Minuteman Fund grants provided to State Organizations include:

- ACEC/Georgia: To support state public referenda for a new sales tax exclusively devoted to transportation projects.

- ACEC/Nebraska: To fund a study and craft legislation to fight government competition in the state, an issue that is heating up across the country.

- ACEC/Florida: To fight a Florida court decision that limitation of liability clauses cannot protect individual engineers. ACEC/Florida is pursuing both an appeal of this ruling and legislation to counter the adverse consequences of the decision.

- ACEC/New York: To counter a state public employee union anti-outsourcing campaign that includes television ads and print media, and legislation that would either eliminate or severely limit outsourcing.

“We now have a statute that is clear on how two parties can limit one another’s liability. Without it, small firms and a lot of contractors would have to rethink involvement in a lot of projects because they couldn’t afford to take the risk.”

RAYMOND DiSTEPHEN
SCHNABEL ENGINEERING
...defeat not one, but three ballot initiatives that new fees will go to fix the problem rather than being the cause, and we raised more than $340,000 to defeat these measures, in addition to mounting a public awareness campaign,” Reimer says.

**Infrastructure Champions**

ACEC State Organizations have championed aggressive advocacy campaigns designed to generate new infrastructure funding or to protect existing revenue sources. In a major industry victory, ACEC/Texas secured up to $8 billion of funding over the next 20 years for street and drainage improvements in Houston—not through a traditional bond issuance, but by restructuring the city’s long-term funding plan.

ACEC/Texas voiced its support for the program at forums, in public debates, on radio talk shows and during TV interviews. It was “like running for political office,” says organizer Jeff Ross, senior vice president and principal-in-charge at Pate Engineers, Inc., who also served on the city’s planning commission.

Steve Stagner, president of ACEC/Texas, says the achievement set an important precedent for U.S. engineering firms. “The initiative proved that people will vote to assess themselves or to limit their liability by way of contract. “We now have a statute that is clear on how two parties can limit one another’s liability,” explains Raymond DeStephen of Schnabel Engineering in Richmond, one of the leaders in the advocacy campaign. “Without it, small firms and contractors would have to rethink involvement in a lot of projects because they couldn’t afford to take the risk.”

ACEC/Indiana also helped achieve a landmark industry win that limits the liability of engineering firms when the Indiana Supreme Court barred “economic loss” claims against design firms for alleged negligence. “Our amicus brief was actually cited by the Supreme Court in its decision,” says Roland Salman, past president of ACEC/Indiana.

**Fight Against ‘In-Sourcing’**

Apart from a lack of funding, private engineering firms face another potential challenge: increased competition from government agencies, or so-called “in-sourcing.”

ACEC/California Executive Director Paul Meyer has been battling the practice—literally turning back its advances—for nearly two decades. His effort started in the mid-1990s when the California State Employees Union submitted a statewide ballot proposition that would prohibit public agencies from employing private engineers. “We defeated that in a landslide in June 1998,” Meyer says.

Several attempts have been made since that time to overturn the ruling. Thanks to the tenacity of ACEC/California, with significant financial support from ACEC’s Minuteman Fund, those attempts have so far failed.

That hasn’t stopped organizations like the Professional Engineers in California Government (PECG) union from trying. “We have to defeat them every time,” Meyer says.

ACEC/California won another state court victory in January 2011 after a temporary restraining order brought on by the PECG union to stop the $1 billion Presidio Parkway project in San Francisco was dissolved by the presiding judge, who also denied PECG’s preliminary injunction.

The judge later denied a request by PECG for a permanent injunction to stop the project, a major public/private partnership (P3) supported by ACEC.

**The Hard Road Ahead**

Looking to the future, industry watchers project that issues such as liability, in-sourcing and insufficient infrastructure funding will continue to generate potential legislative and judicial hurdles for U.S. engineering firms.

But a strong network of State Organizations, led by seasoned, politically savvy professionals who understand effective advocacy, ensure those challenges will be met with a strong, committed and effective opposition.

Stacy Collett is a business and technology writer based in Chicago.
When You Need Professional Liability Protection, It’s Always Good to Have a PLAN.

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Insurance 101 for Design Professionals: www.aepronet.org
As economic conditions begin to stabilize, professional liability insurance (PLI) experts say there’s a good chance engineering firms and project designers will encounter higher insurance rates in the coming year. The 2011 ACEC Professional Liability Insurance Survey of Member Firms for fiscal year 2010 reveals that competition within the broader marketplace has kept premiums low, allowing 99 percent of firms to purchase PLI protection.

More than 600 firms responded to the annual survey, which examines market conditions through F.Y. 2010.

By Maureen Conley

Takeaways

- Continued competition in the PLI marketplace has allowed virtually all firms (99 percent) to purchase some form of PLI coverage with the expectation of relatively low premiums.

- Factors such as coverage quality and existing relationships play into Member Firms' decisions to purchase PLI, not just price.

- Though PLI rates largely held steady through F.Y. 2010, experts predict a harder insurance market will lead to higher insurance rates in the coming year.

As business picks up, Member Firms purchase PLI coverage ahead of projected rate increases.

Protecting Your Interests
Kevin Collins, senior vice president at PLI carrier CNA/Schinnerer, says the survey results show that the majority of respondent firms were able to maintain their PLI coverage while keeping up with payroll and other critical business expenses.

Even in a competitive market, “quality, long-term relationships” with insurers remain important as firms look beyond price to policy terms, claims handling and risk management services, he says.

According to the survey, just 17 percent of respondents changed PLI carriers in 2010. Firms with billings between $2.5 million and $10 million were more likely to change carriers (between 24 percent and 28 percent of responding firms in this category made a change) compared to between 3 percent and 18 percent of all other firms.

For the first time, this year’s survey asked Member Firms to explain their decision to switch insurance carriers. Most opted for lower premiums amid tough economic conditions, says Jim Messmore, senior vice president of Illinois-based Hanson Engineering and a member of ACEC’s Risk Management Committee.

The next most popular justification for switching PLI carriers in 2010: better policy terms.

Al Rabasca, director of industry relations at XL Insurance, says changes in terms might include a lower deductible, an increase in coverage limits or better risk management programs.

Jeff Connelly, program manager at Marsh, the exclusive broker for ACEC’s Business Insurance Trust, pointed to the availability of multiyear policies (which are not available through all carriers) and first-dollar defense, a practice under which insureds only pay a deductible if damages are awarded against them.

XL’s Rabasca says 2010 saw more small firms (under $500,000 in billings) buying PLI—98 percent of such firms purchased PLI in this survey year, compared to 90 percent in the previous survey year.

Though firms continue to weigh the possibility of dropping PLI, or “going bare,” Connelly says firms are more likely to increase their level of PLI coverage as they take on more work. The cost of defending against liability claims is often high, adds Connelly, and firms “with no protection whatsoever” operate at a considerable financial risk, even in cases where the firm has done nothing wrong.

**Possible Rate Hikes**

The survey indicates that equal numbers of design firms of all sizes saw premiums hold steady, rise, or decrease this year. Competition in the PLI marketplace remains strong, though XL’s Rabasca says the number of carriers offering such services might have peaked; there are currently about 55 providers in the space.

Though competition remains strong, Rabasca says he expects slight rate increases in the coming year. While natural disasters generally do not affect PLI for engineers, recent earthquakes, tornadoes, floods and tsunamis have negatively affected property and casualty markets, of which PLI is a part. Such disasters could unsettle the reinsurance market and filter down to further harden the PLI market for A/E firms, Rabasca notes.

Beazley underwriter Dana Hughes also cautions designers and engineers to prepare for rate increases, particularly if claims’ severity continues to rise.

Marsh’s Connelly agrees. He says increases in claim frequency and severity, combined with highly competitive PLI pricing, will likely spell the end of a long-running soft PLI market.

Some carriers “are trying to take a stand” on rates, adds Leslie Pancoast, managing partner of Insurance Office of America and president of a/e ProNet. But carriers that based their premiums on last year’s lower billings have rates that don’t fully reflect exposure over the previous three to five years. Collins says some of those carriers will need to decide whether to stay in the market.

A changing marketplace also means changes to the types of coverage that are available. Connelly says some PLI carriers “are not interested in” certain types of firms, such as structural or surveying firms, and “may be more selective on types of projects, such as bridges.”

PLI carriers Zurich North America and ACE announced in May that they would no longer offer PLI coverage to engineering firms with less than $5 million in annual billings.

Collins says some carriers are adding exclusions to policies for items such as pollution and asbestos; others are looking for new ways to limit economic damages.

**Figure 1**

Percentage Change in Premiums for Firms Renewing Their Policy This Year

<table>
<thead>
<tr>
<th>Percentage Change</th>
<th>Firms Renewing Their Policy This Year</th>
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<tbody>
<tr>
<td>0-6 percent</td>
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<tr>
<td>7-10 percent</td>
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<td>4%</td>
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<td>32-34 percent</td>
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</table>

Source: 2011 ACEC Professional Liability Insurance Survey of Member Firms for FY 2010

“Underwriters are becoming stricter and asking more questions, though the large number of carriers in the space means they are going to keep challenging each other to keep pricing down.”

JEFF CONNELLY

MARSH
Across the board, “underwriters are becoming stricter and asking more questions”—which could be a prelude to changes in pricing, “though the large number of carriers in the space means they are going to keep challenging each other to keep pricing down,” says Connelly. Bottom line: While firms with a good loss history and sound risk management might see a slight decrease in rates this year, firms with problems are more likely to see a rate hike.

**Revenues Stabilizing?**

The economic climate remains challenging, especially for smaller firms.

In a new question on this year’s survey, more Member Firms reported decreased revenues (44 percent) than increased revenues (35 percent), says Chuck Kopplin, a current member and former chairman of ACEC’s Risk Management Committee. Sixty percent to 77 percent of firms with annual billings less than $10 million reported decreased or steady revenues. Connelly calls these numbers “disappointing.”

“We thought we were seeing things turn around this year, but it seems they have slid right back to very little movement again,” he says.

But the news isn’t all bad. Hanson’s Messmore says many firms experienced revenue increases.

The largest percentages of firms reporting gains were in the $10 million to $50 million annual billings category reported gains in this indicator.

At Hanson, Messmore says, business has been “mixed.” Where public-sector clients are concerned, he says, the challenge is how to “keep projects moving forward” in the face of delays and lengthy reviews. Private-sector jobs present a more encouraging picture. Hanson’s private-sector business has picked up in the last year, particularly freight railroad and communications projects. Not all firms have seen improvements, but several indicate the revenue slide appears to be over, he says.

Risk management attorney Nahom Gebre says more firms have approached CNA/Schinnerer for advice on moving ahead with projects previously on hold. Those conversations suggest “things are slowly starting to improve for design firms,” he says.

**Risk Management**

Another area of focus in this year’s PLI survey was risk management. Fifty-three percent of respondents indicated that principals were the point person for risk management within their respective firms.

Insurance carriers and brokers are also playing a larger role in helping firms manage risk. According to the survey, 27 percent of firms look to insurance brokers and carriers for advice on risk management, compared to 10 percent that rely primarily on outside counsel, a potentially more expensive option, according to XL’s Rabasca. This is especially true for small and medium-size firms, many of which do not have the financial wherewithal to hire in-house lawyers.

Few firms (one in 10) have reportedly “changed their service offerings in some way to reduce risk,” says Messmore. One in four firms say the threat of claims has not impacted how they do business.

Dan Bradshaw, owner and president of the Benchmark Insurance Agency in Utah and president of the Professional Liability Agents Network, or PLAN, says the high number of firms that sometimes (44 percent) or rarely (44 percent) turn down work due to risk indicates how willing firms are to take on new work.

“Many more firms are willing to take on significant risk at this point in the economic cycle,” says Tom Bongi, president of Catlin Insurance, which is why it’s “logical” to expect increased claims activity.

John Raap, managing director for A/E underwriting at Travelers, says, “client and project selection are very important in managing risk.” Benchmark’s Bradshaw warns firms to be “aware of what contract provisions you’ve agreed to.”

**Claims Holding Steady**

Sixty-seven percent of firms saw no change in the number of claims filed against them. Larger firms were more likely than smaller firms to experience claims increases from a year ago. Though 17 percent of all firms experienced more claims in F.Y. 2010, only 9 percent to 14 percent of responding firms with revenues below $5 million saw an increase in claims.
firms (60 percent) with revenues above $100 million.

Beazley has seen “a slight decline” in claims frequency over the last nine months, says Hughes, though severity “is starting to creep up.” She thinks claimants are “more willing to work out solutions” and may not have the cash to litigate. In cases of large project cost overruns, though, Hughes says claims tend to be “very creative” and “not well-defined in terms of how the design firm is responsible for losses.” Those cases can be very expensive to defend.

Schinnerer has not seen claims increase in severity or frequency, says Collins. Though claims tend to develop more quickly and demand is higher, that hasn’t necessarily translated into larger awards for litigious clients. “The law is still the law,” he says. Engineers are being held to the same standards, and good defenses remain available.

Kopplin says the 457 claims reported as part of this year’s survey “came from the same places as always.” The breakdown between claims filed by public- and private-sector clients held fairly steady compared with the previous year: 18 percent from public projects this year, versus 23 percent last year; private claims dropped to 31 percent from 33 percent in fiscal year 2009.

The total paid to cover claims dropped from $114 million in F.Y. 2009 to $75 million in F.Y. 2010. The number of firms reporting frivolous claims also dropped in F.Y. 2010— to 20 percent from 32 percent last year.

“Of the claims resolved during the past year, 75 percent were settled through negotiation or mediation prior to going to trial,” says Messmore. About the same percentage required the designer to pay a settlement.

Though the number of claims filed against firms remained steady compared with a year ago, the number of hours required to defend against a claim increased dramatically, according to the survey.

XL’s Rabasca says he was surprised by the number of hours dedicated by firms to defend against claims—up to 44,500 total reported hours in F.Y. 2010, from just 33,000 the year prior. “That adds up to a lot of money out of pocket,” he says, especially if a firm has no PLI coverage.

And that fails to take into account the physical and emotional cost claims sometimes put on employees. Bradshaw says the first month or so of defending a claim can be “very emotionally taxing”—all the more reason to pick a reliable carrier and make use of its expertise.

Maureen Conley is a business writer based outside Washington, D.C.

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The engineering industry is in a state of suspended animation. Despite signs of economic recovery, insufficient tax revenues continue to stymie transportation budgets, while tighter government spending saps a critical resource for essential public-sector projects. Though business has picked up in many sectors, uncertainty still looms over the broader marketplace.

Still, there are reasons for optimism. Many firms are hiring again, and there are indications that the needle of commerce is at least moving in the right direction.

In this special feature, members of ACEC’s 2011–12 Executive Committee offer their views on how the industry can best navigate the recovery, and how great leadership is a key for Member Firms to address the challenges and opportunities that lie ahead.
Leading the Way

“In this economy, a great leader is very versatile,” says Sergio “Satch” Pecori, ACEC treasurer and CEO of Hanson Professional Services, Inc., in Springfield, Ill. “By extension, so is his or her firm. I find that many firms have successfully weathered the economic downturn through the addition of new product lines and additional services that complement their core business.”

To be a great leader, “you have to be a superb communicator,” adds Robert Paulsen, ACEC vice chairman and president of Atkins, an international engineering and design consultancy with a large North American presence. “We’re surrounded by a lot of very smart people. They figure things out in a hurry, so if you’re communicating with them and honest with them, they’ll respect that, and you can get the most out of them.”

A personal stake is also an important attribute of a great leader, says Miller “M.L.” Love, ACEC vice chairman and vice president at the transportation engineering firm Collins Engineers, Inc., of Chicago.

“You’ve got to have passion for engineering itself, a passion for your people working for you, and passion for your clients to understand what their needs are, and provide for them in the best way possible.” Leadership is indeed being tested in today’s challenging marketplace. Consider the state of the nation’s transportation infrastructure. Few people argue against the positive impact of better roads and bridges and rail lines. At the Council’s Annual Convention and Legislative Summit in March, Love discovered in meetings with federal lawmakers that many do “have a favorable view of a six-year transportation plan.”

But what they can’t answer is how to pay for it.

In response to the slow recovery and the uncertainty of government infrastructure funding, many firms are...
exploring new markets and expanding services to remain competitive.

**New Opportunities, New Challenges**

Ted Williams, ACEC chairman-elect and executive vice president at LandmarkJCM in New Castle, Del., advocates public-private partnerships (P3s) as a way to close the financing gap between available federal funds and required project financing. He has served on statewide committees responsible for launching several successful P3 projects.

"This is a viable option that we're starting to see more entities take an interest in," he says. LandmarkJCM also reported marked improvements in private and commercial building in 2010, mostly in the northeastern United States. "Contracts in 2010 increased 27 percent compared to 2009. 2011 might not match 2010, but it will definitely be a growth year for us—maybe 1 percent to 2 percent growth," Williams says.

ACEC Vice Chairman Scott Perkins, vice president at Wilson & Company, Inc., in Albuquerque, N.M., is also seeing a resurgence in some of his firm's markets. Commodities—the growing need to move goods and services—are one of several bright spots for his firm.

"These trends are tending to point to moving our economy forward. I'm cautious, but more optimistic than pessimistic," he says.


"I've got to bring the money to the table—through grants or somewhere—or demonstrate to them that my idea is going to be a good investment and save them money in the long term, rather than not doing anything. We have to place more emphasis on what the return is on that investment," he says.

**Maximizing Government Support**

It's important that firms be proactive. But new ExCom members say it's impossible to discount the importance of government funding. If the industry is going to turn the corner—economically speaking—Congress has to buy in with a strong financial commitment.

ACEC President Dave Raymond says, "Because funding at both the state and federal level has played such a large role in the development of America's infrastructure, turning off this spigot plays havoc with our economic well-being and competitiveness."

Perkins agrees. He says that a healthy communications infrastructure, a healthy power supply, roads and sewers all equate to better business development and better opportunities for us as a country in the future. "We need to make sure we're diligent in keeping those needs in front of congressional leaders, and what infrastructure investment can mean, if implemented correctly, in the short term and long term."

Love suggests that engineering executives need to reach out to their congressional representatives and explain the need firsthand. "When a lawmaker is looking in the eyes of a leader of an engineering firm who is explaining the real-world situation in their district, that carries a lot of weight," he says.

Paulsen says engineers need to frame the issue in terms lawmakers can understand. "A first-class infrastructure helps solve many of the problems they're dealing with over the long haul, like jobs creation, which helps with raising tax revenue, which helps to resolve the deficit, which in turn helps the economy."

The economic benefits of improved infrastructure are obvious. Blake Murillo, ACEC vice chairman and CEO of Psomas in Los Angeles, says national security is another potential selling point.
“If somebody were to target a number of power plants—or some major transmission lines were knocked out—how much damage would that do?” asks Murillo.

Strength in Numbers
If the engineering industry is going to state an effective case for robust infrastructure investment, it’s going to require a team effort. That means all stakeholders must get involved.

“The typical engineer tends to shy away from fundraisers, PACs and the entire political process, where the real power-brokering takes place,” says ACEC Chairman Terry Neimeyer, CEO of engineering, consulting and construction firm KCI Technologies, Inc., in Sparks, Md. “We must become better political advocates on an individual firm basis and an employee basis.”

The money won’t come easy. It’s tight for everyone. And advocates for large government entitlement programs, including education and Social Security, have their sights set on federal coffers.

“Infrastructure needs to be in the discussion,” Murillo says. “If we let people lose sight of it, then we’re really in trouble.”

Additional Challenges
There are other industry challenges at hand. Even when firms are able to find work, volatile fuel and material prices are driving up the cost of doing business. “Contractors are inserting inflation hedges in their bids because they don’t know what the dollar is going to do, or what the commodity prices or fuel prices are going to be. So the end user ends up paying more,” explains Richard Wells, ACEC vice chairman and vice president at San Diego-based Kleinfelder.

Many state agencies are equally frustrated, says Alison Davis, NAECE president and executive director of ACEC/Oregon.

“We just had a conference with our state DOT last week, and the outlook was gloomy for additional funding,” says Davis. “Projected revenue from the gas tax is less than expected.”

Engineering firms in the Pacific Northwest are “staying busy,” Davis adds, but hardly growing. She expects business in Oregon to remain flat for at least another year. “Firms that have diversified are faring much better than those strictly working for DOTs.”

The Road Ahead
Overall, things are not as bad as they’ve been or as good as they could be, Neimeyer says.

“On a scale of 1 to 10, it’s not a 1, but maybe a 6 or 7,” he says.

Experts say the ability to navigate these uncertain times comes back to the need for leadership and vision.

“Great engineering firms tend to be led by visionaries who see the market and say, ‘This vertical construction market is going design/build,’ or ‘The highway construction market is going to have a percentage that’s going to go public/private.’ And they do it ahead of time,” Neimeyer says. “So instead of marketing strictly to the DOTs, they now market to financing houses that are going to be the leads on these P3s, or contracting organizations that have large capital resources.”

Borrowing a quote from hockey great Wayne Gretzky, Neimeyer says, “You don’t skate to where the puck is; you skate to where the puck is going.”

Stacy Collett is a business and technology writer based in Chicago.
ACEC 2011 Fall Conference • October 19–22, 2011

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The Road AHEAD in Engineering Markets

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- Energy and Water Market Opportunities
- Transportation and Project Funding Trends
- CEO Insights on Growth and Profitability
- New Approaches to Infrastructure Financing
- CEO and CIO Roundtables
- Managing Risk and Increasing Earnings
- 2011 CASE Convocation
- CAMEE Roundtable on Critical MEP Issues
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Room Rate (single/double)
ACEC’s room rate is $239, single/double occupancy plus tax in the Forum Tower, and $269, single/double occupancy plus tax in the Palace Tower*. Reservations must be received by Sept. 9. Reservations received after this date, or after the group block sells out prior to this date, will be on a space- and rate-available basis. A deposit of one night’s stay plus tax is due when the reservation is made. Check-in time: 4 p.m.; check-out time: 11 a.m.
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For more information or to register online, go to: www.acec.org.
EJCDC Develops New P3, Construction Management Contracts

The Engineers Joint Contract Documents Committee (EJCDC) is working on a new Public-Private Partnership Agreement and a Construction Management family of contracts to augment its popular designer and contractor series.

The new public-private partnership contracts are expected to be available by early 2012.

Since 1975, 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. Each EJCDC Contract Document is prepared by experienced engineering design and construction professionals, owners, contractors, professional liability and risk management experts and legal counsel. More than 1 million EJCDC documents have been sold. The resources are well suited to public and private projects.

EJCDC is a joint venture of ACEC, the National Society of Professional Engineers/Professional Engineers in Private Practice, the American Society of Civil Engineers-Construction Institute and the Associated General Contractors of America.

Strategies to Energize Your Firm’s Financial Outlook

Effective financial management is the lifeblood of every business organization, yet many A/E professionals don’t fully understand their firm’s financial operation. Project management financials and the flow of money related to contracts are sometimes difficult to understand. But such understanding is necessary to improve your bottom line.

ACEC’s Essentials of A/E Financial Management and Firm Valuation program, to be held Nov. 3–4 in Orlando, explores the impact that a volatile economy has on Member Firm financial management beyond revenue, profits, backlog and staff size. Participants will learn to effectively extract and apply key financial measures, such as breakeven overhead rate, target billing multiplier and labor utilization percentage.

Attendees will also examine various performance, liquidity and leverage ratios and learn how to benchmark these results to make a causal link to shareholder value—including acceptable valuation methodologies for engineering firms—and valuation’s relationship to internal owner transition planning. Visit the ACEC Education website at www.acec.org/education/index.cfm for more information.

Leverage Technical Expertise for Lucrative Expert Witness Duty

In the current economy, most firms are seeking new or enhanced lines of business to build revenue. One option is to leverage their technical know-how to serve as an engineering expert witness.

Engineers are often qualified to serve as expert witnesses in legal proceedings. But an engineer’s technical knowledge and personal experience is not enough.

Expert witnesses must know how to effectively present themselves and keep their cool when opposing counsel questions the validity of their testimony. In lawsuits involving the standard of care for civil engineering projects, an effective expert witness must:

• Demonstrate knowledge of the technical subject matter;
• Have an effective and believable presentation style;
• Understand the standard of care in each particular case;
• Know how the rules of evidence affect expert testimony; and
• Be prepared to avoid assumptions and rebut other experts.

Interested in developing or improving your courtroom skills? ACEC will offer a two-day course Dec. 8–9, in Atlanta, entitled Applying Expertise as an Engineering Expert Witness. Visit the ACEC Education website at www.acec.org/education/index.cfm for more details.

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

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September 7-10, 2011 – Baltimore, MD

Essentials of A/E Financial Management & Firm Valuation
November 3-4, 2011 – Orlando, FL

Business of Design Consulting
November 9-12, 2011 – New Orleans, LA

For more information on these and other upcoming seminars and webinars, go to www.acec.org/education and to check out products at the ACEC Bookstore, go to www.acec.org/publications
Members in the News

On The Move

**AECOM** appointed President and CEO **John M. Dionisio** chairman of its Board of Directors effective Oct. 1. Dionisio succeeds Richard G. Newman, who will continue to serve the Board in the role of chairman emeritus.

**Dunham Associates, Inc.**, named **Jay Rohkohl** president and CEO, replacing Katy Kolbeck, who is retiring after 14 years in the position. Rohkohl joined Dunham Associates in 1997 and has served as executive vice president for the past seven years.

New York City-based **WSP Flack + Kurtz** appointed **James S. Nevada** CFO and executive vice president.

**RS&H**, a Florida-based facilities and infrastructure consulting firm, named **Max D. Crumit** senior vice president of transportation. Crumit will work with RS&H’s transportation program leadership to expand the firm’s national client base.

**Donohue & Associates, Inc.**, a water, wastewater, and transportation consulting engineering services firm, announced the following appointments: **Craig Brunner** was named vice president and office manager of Donohue’s Chicago and Champaign, Ill., offices. **Randall Buss**, also named vice president, will be responsible for financial and fiscal management company operations and for information technology. **Michael Gerbitz** was appointed vice president and wastewater service line manager. **Edward Nevers** and **David Speth** were named senior vice presidents.

**Thornton Tomasetti, Inc.**, announced the following leadership appointments: **Robert DeScenzo**, former COO, was appointed president following the retirement of former president and CEO Dan Cuoco; **Thomas Scarangello**, the current chairman, will take on the role of CEO; **Aine Brazil** and **Dennis Poon** were appointed to vice chairmen. Cuoco, who served 40 years with Thornton Tomasetti, will continue to consult with the firm on future projects.

Left to right: Tom Scarangello, Aine Brazil, Dennis Poon and Robert DeScenzo
**Dewberry** promoted three transportation engineers in its Bloomfield, N.J., office: **Craig R. Johnson** was appointed executive vice president; **H. Ali Vaezi** was promoted to senior vice president and business unit manager; and **Richard C. Menino** was appointed associate vice president and assistant business unit manager.

**Parsons** announced the following appointments: **Avis Russell** joined the firm as vice president and director of contracts and procurement, operations shared services; **Dean Harwood** was appointed president of Parsons Enterprises, a new entity focused on the development of concession-based businesses, based in Charlotte, N.C.; **Guy Mehula** has been appointed Parsons MENA+ president and will be based in Abu Dhabi, United Arab Emirates. He succeeds **Jeffrey Squires**, who was appointed executive vice president and strategic planning and regional management director. **Maureen C. Hayes**, recently appointed senior vice president and regional development executive for California, will facilitate expansion in the region; **Guillermo (Bill) Anido Jr.** was named senior vice president and regional development executive for Florida; **Leroy W. Bannister Jr.** was appointed senior vice president and regional development executive for the Greater Chicago region; and **Ruth Mc Morrow** joined the firm as executive vice president, Parsons Enterprises, responsible for leading efforts in public-private partnerships, project financing and investment.

**William D. Colon** joined **Gannett Fleming** as a vice president and director of transportation services in the Northeast region, where he will be responsible for business development, project performance and engineering design of the region’s highway and bridge projects. Colon also serves on ACEC/New Jersey’s Executive Committee.

**Sam Schwartz Engineering, PLLC (SSE)** promoted **Jeff Trim** to executive vice president of transportation services, where he will also oversee the firm’s Tampa operations. Trim’s appointment comes shortly after SSE acquired Metro Transportation Group, Inc., a Chicago-based transportation consulting firm.

**GEI Consultants, Inc.** elected three new vice presidents: **Errol S. Kitt**, branch manager and environmental practice leader, will manage environmental assessment, investigation and remediation programs for clients on Long Island and in the New York metro area; **Timothy J. Olean**, branch manager and construction services manager, with more than 21 years of experience in remediation, construction and operations; and **Robert W. Gensemer**, senior ecological practice leader and eco-toxicologist, responsible for water quality standards and risk assessment work.
Members in the News

Welcome New Member Firms

ACEC/Arizona
Ace Solutions, Peoria
FSI Engineering & Design, Inc., Mesa
Tri-Core Engineering, Scottsdale

ACEC/California
ENGEIO Incorporated, San Ramon
EPC Consultants, Inc., San Francisco
GeoRock, Gardena
Nersi Hemati, Consulting Soil Engineer, Sausalito

ACEC/Florida
Coastal Design Consultants, Inc., New Port Richey
GMB Engineers & Planners, Inc., Orlando
The Holmes Agency, Inc., St. Petersburg

ACEC/Hawaii
Coffman Engineers, Inc., Honolulu

ACEC/Illinois
ADO Engineering, Inc., South Elgin
Atlas Engineering Group, LTD, Northbrook
Cheri K. Lewis Engineers, LLC, Chicago

ACEC/Maine
Advanced Infrastructure Technologies, Orono

ACEC/Michigan
Opus International Consultants Inc., West Bloomfield
Wolverine Engineering and Surveyors, Inc., Mason

ACEC/New York
Dvirka and Bartilucci Consulting Engineers, Woodbury
KP Professional Engineering, P.C., Lindenhurst

ACEC/Pennsylvania
Brausch Environmental, LLC, Gibsonia
Transportation Resource Group, Inc., York

ACEC/Texas
BCCK Engineering, Inc., Midland
Carroll and Blackman, Inc., Beaumont
Coyle Engineering, Inc., Fair Oaks Ranch
HKS, Inc., Dallas
Magnum Technical Services, Inc., Schertz
Pickett, Kelm & Associates, Inc., Austin
Reinhart & Associates, Inc., Austin

ACEC/Virginia
CES Consulting LLC, Haymarket

ACEC/Washington
Shea Carr Jewell, Olympia

ACEC/Wisconsin
K. Singh & Associates, Inc., Elm Grove

50th Anniversaries

Denver-based water engineering firm Wright Water Engineers (WWE) is celebrating its 50th anniversary this year.

Founder and CFO Kenneth Wright remains involved in the day-to-day operation of the employee-owned firm, alongside President Wayne Lorenz and CEO Jonathan Jones. “The same ‘personal touch’ project management system that spurred growth from one to 50 people helps the company keep its competitive edge,” said Jones.

The firm has 50 years of involvement in legacy projects, including 45 years of helping Adolph Coors Company obtain reliable water rights for its Golden, Colo., brewery, a large employer in the area.

In 1969, WWE helped develop the first Urban Storm Drainage Criteria Manual for the Urban Drainage and Flood Control District. The firm continues to work on the manual today, adding online interactive updates aimed at producing greener processes and outcomes.

Along with traditional water resources engineering, WWE has expanded into new and evolving fields over the years, including umbrella stormwater permitting for utilities and low-impact development.

San Diego-based Kleinfelder, a global science, architecture and engineering consulting firm, also celebrates its 50th anniversary this year.

“Our growth from a small, family-owned business half a century ago to the nearly 2,000-employee-owner, global firm we are today can be attributed to the hard work and innovation of our employees, both in the field and in their communities,” said Bill Siegel, CEO of Kleinfelder.

The firm, which has more than 60 offices worldwide, is deeply involved in its local communities. Kleinfelder focuses on four essential pillars—disaster relief, diversity, sustainability and volunteerism—and sets annual goals for contributing resources where needed most.

As part of its yearlong celebration, Kleinfelder has committed $50,000 and more than 3,500 volunteer hours to Ronald McDonald House Charities.

Awards

Hanson Professional Services of Springfield, Ill., is among 15 companies nationwide chosen to receive the 2011 Secretary of Defense Freedom Award, which recognizes employer support of employees who serve in the National Guard and Reserves.

“Hanson has always fostered a supportive culture for our employees who serve,” said Sergio “Satch” Pecori, president and CEO of Hanson and ACEC treasurer. “We want them to know that their service is appreciated, that their families are being cared for at home during deployment, and that their job is waiting for them when they get back.”

The 2011 honorees will be recognized in Washington, D.C. at the 16th annual Secretary of Defense Employer Support Freedom Award Ceremony on Sept. 22.
Members in the News

Calendar of Events

**JULY**
- **12** Integrated Project Delivery (online seminar)
- **21** Understanding the Nearly $2 Billion GSA Federal Buildings Program Across the Nation (online seminar)
- **27** Accelerate Out of Recession: Six Best-Practices for A/E Firms (online seminar)

**SEPTEMBER**
- **12-13** Information Technology Forum, Chicago
- **12-13** Finance Forum 2011, Chicago

**OCTOBER**
- **19-22** ACEC 2011 Fall Conference, Las Vegas

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

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

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Mergers and Acquisitions

Resurgent Sunbelt, Industry Consolidation Fuel Robust M&A Environment

BY MICK MORRISSEY

Though the economic recovery has been slow and uneven across the nation through the first half of 2011, the engineering industry is experiencing a robust resurgence of merger-and-acquisition activity (M&A).

One hundred thirty-seven mergers and acquisitions were announced through June 1, compared with 106 for the same period in 2010, an increase of some 29 percent. If this pace continues, M&A activity could match or eclipse the record deal counts of 2008.

M&A activity has been especially strong across the Sunbelt states. Not yet halfway through the year, firm sales year-to-date in Arizona and North Carolina have exceeded the number of total deals in those states for the entire 12-month period of 2010. South Carolina and Florida are also poised for year-over-year increases in firm sales, and M&A activity in Texas is strong (see chart).

The resurgence in M&A activity across America’s Sunbelt is due to several factors: (1) The Carolinas are seen by many industry acquirers as business-friendly states with an increasing energy profile; (2) Florida and Arizona are viewed as long-term “good bets” by buyers who believe these markets are close to or at their respective bottoms; and (3) Texas—despite its budget woes—is viewed as the most business-friendly state in the nation, with encouraging population trends and a diverse energy economy.

Recent examples of ACEC Member Firms contributing to this Sunbelt trend include:

The April acquisition of Phoenix-based Evans Kuhn & Associates (EKA) by Littlejohn Engineering Associates (LEA) out of Nashville. Also, as reported in Engineering, Inc. in January, LEA announced its acquisition of Orlando, Fla.-based Land Design Innovations (LDI).

The April acquisition of Nodarse & Associates, of Winter Park, Fla., by Olathe, Kan.-based Terracon Consultants, Inc.

The acquisition of BP Barber in Columbia, S.C., by San Francisco-based URS in April.

Another piece of the M&A puzzle so far in 2011 is the continued consolidation of top North American industry players by international firms. April saw the sale of Portland, Ore.-based Otak—ranked among Engineering News Record’s (ENR) 2011 Top 200 U.S. Design Firms—to Korea’s Hamiglobal. In May, Georgia-based MACTEC—ranked among ENR’s Top-40 U.S. Design firms—was sold to AMEC.

2011 Merger and Acquisition Activity Through June 1, 2011

<table>
<thead>
<tr>
<th>State</th>
<th>Firm sales through 6/1/11</th>
<th>Firm sales in 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>North Carolina</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>South Carolina</td>
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<td>5</td>
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<tr>
<td>Florida</td>
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<td>8</td>
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<tr>
<td>Texas</td>
<td>6</td>
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</tr>
</tbody>
</table>

To view live up-to-date versions of the M&A heat maps that accompany this article and to see a list of the buyers and sellers in each state, go to www.morrisseygoodale.com.

Mick Morrissey is managing principal of Morrissey Goodale, LLC, a strategy, M&A and human capital solutions firm serving the A/E/C industry. He can be reached at mmorrissey@morrisseygoodale.com.
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