

THE FIRST WORD

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Design-Bid-Build & Construction Management Focus of Interim Study

Design/Bid/Build and the Construction Management delivery systems were the topic of an Interim Study by the Senate Business & Labor Committee in early December where the Committee reviewed the use of two methods by state agencies, and whether one should prevail over the other

Committee Co-Chairman Harry Coates, R-Seminole, requested Interim Study 2007S-012 to examine the construction management delivery system in the state and the cost or benefits of construction management delivery versus the traditional design, bid and build system.

The Committee heard from a variety of individuals in both the construction profession as well as from state institutions which regularly use both delivery systems.

The traditional design, bid and build system makes use of a general contractor, which is paid for construction placed on the ground, said John Morrison with the Department of Central Services. A construction manager is paid for rendering services, such as scheduling and budgeting. Rather than selecting a general contractor according to price, a construction manager is selected based on qualifications, Morrison said. The manager adds to the depth of knowledge, and there is a single source responsible for financial accountability. One of the drawbacks of the system is that all public owners do not understand the construction manager at risk process, he said.

Two of Oklahoma's universities are very familiar with the construction manager at risk system, and they prefer it in some instances. Since 2003, the University of Oklahoma has used a construction manager at risk on approximately 25 percent of its projects, said Mike Moorman, director of architectural and engineering services at OU. For example, residence hall renovations involved issues such as overlapping phases, limited space around the construction site and occupancy of the halls. A construction manager was able to coordinate budgeting and scheduling, saving about two to three years from the project timeline, Moorman said. "It's not right for every project, but when it's right, it's right," he said.

Seven of eight projects currently ongoing at Oklahoma State University are making use of construction managers, said Mike Buchert, director of long-range facilities planning for OSU.

During work on the foundation of Old Central on OSU campus, issues emerged in the midst of the project. The construction manager was able to coordinate a response quickly according to changing circumstances, he said.

Morrison said that the Department of Central Services maintains a list of pre-qualified Construction Managers. According to administrative rules, construction managers must have independent certifications from one of six national organizations. DCS expanded those rules in July, granting managers a conditional registration if they gain certification within one year. Screening and interviewing are also part of the selection process, he said. There are now 39 construction managers on DCS' list. As for the ultimate selection of a construction manager, that decision is left with the individual using agency, Morrison said.

The committee also heard comments from contractors as to which delivery system they prefer. Carey DeHart, president of CMS Willowbrook, provides construction management services in Oklahoma. He said the current system is working and that competition is increasing. The construction manager at risk system should be available to all public entities and not restricted to projects of a certain size or scope, he said.

As the only subcontractor speaking at the meeting, Chris Schoolcraft of Shawver Electric said that the construction manager process was a step in the right direction. They are more qualified to work with the construction team, he said. "I do believe you can get a better product with a construction manager," Schoolcraft said.

General contractor Larry Soan of RFD Construction recognized that he might have been the only one speaking in favor of the design, bid, build process on Monday. Construction managers may have their place in certain circumstances; however, he did not see that much benefit to the process.

The Committee didn't make any recommendations for proposed legislation as the meeting concluded. However, some issues were raised which could lead to legislative action when the session begins in early February.

ACEC OKLAHOMA will continue to monitor this issue and keep you informed of any activity on these issues during the 2008 Legislative Session.

New Engineering Whiz Kids Learn People Skills

With all of the discussion within ACEC regarding the NCEES adoptions of the “Bachelors + 30” initiative for licensure as a Professional Engineer, we thought the following article from *The Journal Record*, December 17, 2007 was quite interesting.

BERKELEY, Calif. (AP) – Hands wave in the air as students join a spirited discussion about startup financing and laughter ripples through the class when someone IDs the three “Fs” of independent funding: Friends, family, fools.

But his is not a business school course for fired-up young entrepreneurs. It’s an engineering class at the University of California, Berkeley, even though the students don’t look much like the stereotypical “gearheads” with pocket protectors.

That’s by design, part of a national push to produce grads who are both technically savvy and people smart.

“It is no longer good enough for engineers to come out of school with purely technical-level training. They need to know the business environment in which they are going to work,” said Tina Seelig, executive director of the Stanford Technology Ventures Program, which among other things teaches entrepreneurial skills to Stanford’s science and engineering students. “In this fast-paced world, engineers are not isolated in the cubes any more.”

At engineering powerhouse MIT, the new approach was adopted in response to 1990s concerns about U.S. productivity issues, said Barbara A. Masi, director of education innovation at MIT’s engineering school.

The move to splice so-called “soft skills” into programs gained momentum when the accreditation body for engineering schools began requiring that schools teach things like teamwork and communication.

“Now, it’s just everywhere,” said Masi.

Much of the impetus for the change has come from industry, including Silicon Valley.

“We’re looking for engineers that have a foot in both camps. A foot in the camp of being a very smart technical contributor, and a foot in the camp of being an interesting, curious person who can communicate about a lot more than just engineering and technical matters,” said Andrew

Burroughs, an engineer who runs the Chicago office of Palo Alto-based design company IDEO.

Faculty at the University of Michigan gave overhauled courses and added projects that depend on team-building skills to give students a better sense of how to translate technical savvy into real-world know-how.

UC Berkeley engineering dean S. Shankar Sastry is asking professors to take a more Socratic approach to teaching, meaning more discussion, less drilling.

“The days of boot camp – where we say ‘Thou shalt study physics and mathematics and, oh, by the way, you’ll find out what’s going to come out of this next year or the year after’ – I think are gone,” said Sastry.

Sastry is also splicing subjects such as business and law into the curriculum in hopes of producing well-rounded students.

Professor Ikhtlaq Sidhu, director of Berkeley’s Center for Entrepreneurship & Technology, put the theories into action as he led a recent discussion on the merits of start-up funding, whether to seek venture capital or do it on your own.

For graduate student Aileen Desoto, the lively exchange was a big departure from her days as an electrical engineering undergrad in the 80’s.

“You have business students in the same class as engineers, so it’s an easy place to meet and you can get the resources that you need to go off and create companies. That’s really exciting,” said Desoto.

A goal at Berkeley is to produce engineers who can communicate their expertise effectively, good news to anyone who’s ever struggled with an operating instructions manual in the wee small hours of the morning.

And maybe provide that moment of clarity that leads to the next big leap of engineering entrepreneurship.

“We want to create room for people to think,” Sastry said.

Sign Up Now For ACEC's 2008-2009 National Committees

ACEC members are encouraged to sign up for service on ACEC National committees for the annual term beginning at ACEC's Spring Convention in April 2008.

Participation on ACEC committees brings vitality to the Council and ensures that the issues and interests of members are brought into Council operations.

Most of ACEC's committees are "open" (i.e., sign up and you're on!). A few require appointment by the incoming ACEC chairman, so register to request an appointment. Open and appointive committees are listed below. Be sure to share this information with colleagues and encourage them to volunteer as well — remember, ACEC committee membership is open to all employees of ACEC member firms.

Committee applications are due January 11, 2008.

Open Committees

Contract Documents Committee
 Environment & Energy Committee
 Federal Agencies & Procurement Advocacy Committee
 Institute for Business
 Management Committee
 Peer Review Sub-Committee
 *SEI Alumni Committee
 **International Committee
 Management Practices Committee
 Association Partners Sub-Committee
 Licensure Sub-Committee
 Quality Sub-Committee
 Membership Committee
 Public Relations Committee
 Risk Management Committee
 Tax and Regulatory Affairs Committee
 Transportation Committee

**Must be employees of Peer Reviewed firms.*

***Must be SEI Alumni*

Appointive Committees

Engineering Excellence Awards Committee
 Planning Cabinet
 Conference Curriculum Sub-Committee
 Professional Conduct Committee
 Bylaws & Procedures Committee
 ACEC/AASHTO Joint Committee
 Tellers Committee

If you have questions about the committee process, please contact Mary Ann Emely, memely@acec.org, 202.682.4300.

IRS Mileage Rate for 2008 Increases to 50.5¢ Per Mile

The Internal Revenue Service has issued the 2008 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes. Beginning Jan. 1, 2008, the standard mileage rates for the use of a car (including vans, pickups or panel trucks) will be:

- * 50.5 cents per mile for business miles driven;
- * 19 cents per mile driven for medical or moving purposes; and
- * 14 cents per mile driven in service of charitable organizations.

The new rate for business miles compares to a rate of 48.5 cents/mile for 2007. The new rate for medical and moving is down from 20 cents in 2007. The rate for miles driven in service of charitable organizations has remained the same.

ACEC OKLAHOMA Co-Sponsors Centennial Clock

ACEC OKLAHOMA, along with some 50 other trade associations and professional society members of the Oklahoma Society of Association Executives (OSAE), donated a "Centennial Clock" to the state in celebration of the State of Oklahoma's 100th Birthday on November 16, 2007.

The \$25,000 replica of vintage clocks found in Oklahoma towns in 1907, one of over 100 dedicated around the state as part of the Oklahoma Centennial Commission's year-long birthday celebration, is located in the OSAE Plaza on the south side of the Oklahoma State Capitol. The names of the sponsoring associations, including ACEC OKLAHOMA, are engraved on the granite base of the Centennial Clock.

ACEC OKLAHOMA member firms have played an important and vital role in the building of this great State during its first 100 years. The contributions of the engineering profession, past and future, are honored by ACEC OKLAHOMA's name being a part of this Centennial Clock project which recognizes associations and their members contributions to the State's heritage and future.



ACEC Business Insurance Trust Unveils New Risk Management Website

The ACEC Business Insurance Trust has teamed up with The Hartford to create a new website to provide state-of-the-art risk management educational materials and online interactive tools to help ACEC member firms manage the ever-changing landscape of risk.

These risk management resources are now available specifically for ACEC members through The Hartford's new Small Business Center, available on the ACECBIT.com website.

By utilizing the tools found at the Small Business Center, member firms will be able to find the right answers to questions such as:

- What type of insurance should you be considering, and what is the most appropriate coverage?
- What are the necessary steps to create a Disaster Recovery Plan that meets the needs of your business?
- What about your computers and other hardware— is your E-business at risk?
- Are there Loss Control and Safety Resources available to help keep your employees safe?

To learn more about this new business tool, [click here](#) to visit ACECBIT.com today and click on "Small Business Insurance Center." Access to the Small Business Insurance Center is an exclusive ACEC members-only benefit, and you will need your ACEC password.

Further information about the ACEC Business Insurance Trust and the Small Business Insurance Center is available by calling 1-800-338-1391.

ACEC OKLAHOMA General Membership Meeting Set for Thursday, January 24th

The next ACEC OKLAHOMA Board and General Membership Meeting will be held Thursday, January 24th at the Oklahoma Engineering Center in Oklahoma City.

The 2007 Engineering Excellence Awards will be presented at that time. Watch your e-mail for Registration and Program information.