

THE FIRST WORD

November, 2003

ACEC OKLAHOMA General Membership Meeting/"Lunch & Learn" Webinar Set for November 18th

"Managing Owner Exposure on Contractor Claims"
to be the topic of the Webinar

The next ACEC OKLAHOMA General Membership Meeting will be held on Tuesday, November 18th at the Oklahoma Engineering Center in Oklahoma City.

The program for the meeting will be another in ACEC OKLAHOMA's series of "Lunch and Learn" seminars. This program will be "**Managing Owner Exposure on Contractor Claims.**"

The program will begin promptly at 11:30am, and will be followed by the ACEC OKLAHOMA General Membership Meeting. The ACEC OKLAHOMA Board of Directors will meet prior to the 11:30am webinar.

Registration for the program will be \$35.00 per person, which includes lunch and the program materials. One (1) professional development hour will be given for the program.

Ronald Leaders, Buckley & Leaders, will present the program on preventing and managing contractor claims.

Project owners face increased contractor claims as bidders continue to reduce margins and contingencies to obtain work in this tight economy.

The program will address strategies to prevent common pitfalls and practical means to improve change management and claim resolution practices.

This program will include tools and guidance for effective implementation of current and new practices.

Learning Objectives for the seminar include:

1. Develop a better understanding of commonly mis-used or misunderstood contract provisions.
2. Discuss expanded use of contractor responsibility and responsiveness criteria to reduce awards to under-qualified contractors.
3. Learn a more structured approach to change order and claim analysis that can reduce claim payments.

Registration information has been sent to all members. We look forward to seeing you November 18th at the ACEC OKLAHOMA General Membership Meeting and "Lunch & Learn" seminar.

Have You Made Your ACEC OKLAHOMA PAC Contribution?

If not, go to the ACEC OKLAHOMA website, download the contribution form, and send your check today!!!!

2004 is an election year, and your support of ACEC OKLAHOMA PAC is vital. Please support the only PAC which exclusively represents the interest of engineers!!!!

ACEC FALL CONFERENCE REPORT

Mike Arand
ACEC National Director

At the 2003 ACEC Fall Conference the Board of Directors, along with ACEC OKALHOMA President Jim Sullins, I attended round table discussions on three subjects important to all of us as members of the organization.

Those three subjects and the key issues are summarized below.

NEW THREE-YEAR BUDGET

At the annual convention in Colorado, May 10, 2004, the ACEC National Directors will vote on the next three-year budget for ACEC. In the coming months, the Budget Committee is tasked with developing a balanced budget for each of the three years in the upcoming budget cycle, addressing key areas to meet the goals of the Strategic Plan adopted by the Board of Directors.

In light of flat or even slightly declining dues revenue during the current three-year budget cycle, ACEC's ability to achieve some of its ambitious strategic goals may be impaired without a dues increase. In particular:

Goal 2 – Become recognized by all engineering companies in the United States as their primary resource on business practices (through the Institute for Business Management).

Goal 4 – Grow ACEC/PAC to a \$1 million-per-year PAC by 2006.

Goal 6 – Double overall membership and recruit 90% of ENR's Top 500 Design Firms as ACEC members by 2010.

Although there was lukewarm support from the Directors for providing additional funding to support initiatives that would help the organization achieve all of the goals in the strategic plan, the Directors were overwhelmingly opposed to adding staff at the national level to achieve those goals.

The support that was expressed for achieving the goals in the Strategic Plan is very much dependent on the size of the dues increase that will be required to fund any new initiatives.

MEMBERSHIP RECRUITMENT

Although included to some extent in the budget discussions, this item was singled out for separate discussion. The ACEC Strategic Plan has set forth a very ambitious goal (see goal 6 above) for membership recruitment and National is pushing very hard to win approval for an additional staff person to assist individual state MO's in their recruiting efforts.

No National Director or Executive Director that I talked to is in favor of hiring a professional membership recruiter for the national staff to assist the states in their recruiting efforts.

OTHER ISSUES

Discussions also were conducted on several issues affecting the industry as a whole with ACEC discussing the efforts that National had put forth in support of the membership to:

- Σ Expand the use of Qualifications-Based Selection of engineering services.
- Σ Defeat attempts in several states to unionize field representatives of engineering firms assigned to construction sites.
- Σ Create a legislative guide to assist MO's in fighting professional service taxes.
- Σ Defeat the use of reverse auctions for the purchase of engineering services on highway projects in Minnesota.

2007 ACEC FALL CONFERENCE

In addition to National obtaining feedback from the membership relative to the above issues there was one voting item on the Meeting agenda – the site selection for the 2007 Fall Conference. The three ACEC Member Organizations that submitted bids to host that conference were: ACEC Nebraska (Omaha), ACEC of Hawaii (Maui), and ACEC of Minnesota (Minneapolis). The winner was ACEC/Hawaii by a very slim margin over ACEC/Nebraska.

Project Management: The Road to Profitability

ACEC's Institute for Business Management will offer a special two-day seminar, Thursday, November 13th - Friday, November 14, in Houston. The seminar will be held at the Sofitel Houston Hotel, 425 N. Sam Houston Pkwy E., in Houston. Eleven (11) PDH's will be given for attendance.

"Project Management: The Road to Profitability" is a comprehensive workshop focused on the integral role of project management in an organization.

As a critical component in every successful job, project managers must possess strong leadership skills and effective collaboration techniques. Two great locations provide two opportunities for design professionals to develop valuable skills that can be implemented on your next project.

Learning Outcomes:

- * Examine the stages of managing a project and the project manager's role.
- * Market your services through enhanced negotiation and communication skills.
- * Navigate through confusing IT issues with project management software that improves project performance.
- * Calculate project profitability and understand project budgeting methods and cost estimating.
- * Apply new scheduling techniques using the Critical Path Method.
- * Build a project team that increases efficiency and productivity through the allocation of resources.
- * Understand the financials! Learn about cash vs. accrual, revenue recognition, overhead, profitability, billing and collections.
- * Gain a working familiarity with contracts. Decipher the confusing language and examine factors in negotiating contracts and purchasing.
- * Develop a comprehensive and effective project plan.
- * Increase client retention and gain referrals using proven client relations tools and techniques

The seminar will be lead by Gary D. Bates, P.E. and Michael J. Reilly, CPSM.

Bates, Partner in the Roenker Bates Group, Cincinnati, is a former construction industry senior executive and educator. Having managed more than 100 design and construction projects, he specializes in the techniques of effective management through positive communication and systems for continuous improvement.

Reilly, President of Reilly Communications, Boston, provides a unique perspective into the challenge of effective marketing as a project manager. He has worked with many successful engineering, architecture and construction firms including ENR 500 firms.

Registration Fee for the seminar is \$545.00 per person for ACEC members, \$745 for Non Members. For more information or to register, go to the ACEC website at: <http://www.acec.org/education/eventDetails.cfm?eventID=350>

Architect and Building Designers Square Off

The battle to clarify the lines between when an Architect is required on a project and when "non-licensed" professionals are appropriate continued in late October at the State Capitol.

The State Architectural Act Task Force heard testimony on October 20th from the American Institute of Building Designers (AIBD) which alledge that changes proposed during the last legislative session go too far. Hugh Sprague said under the proposal builders would have to use an architect with constructing a commerical building greater than 3,000 square feet or a building for a general merchandise retailer over 900 square feet.

Sprague and AIBD contend that the proposal would require the services of an architect when they may not be necessary. Additionally, he said that many buildings in Oklahoma had been constructed without an architect, and that there is no evidence that any of those building have failed due to negligence.

He asserted that as long as "non-licensed" professionals design a building to code, architects aren't necessary.

Dana Hutson, a design/build contractor from Tulsa, contended that architects don't like the "freedom to choose." He said that private owners want the freedom to choose whether or not to use an architect, and that the architects only want to limit competition.

The Task Force is set to meet again on November 10th to hear additional testimony.

ACEC OKLAHOMA & Contract Solutions Group Team To Offer "Programs-To-Go"

ACEC OKLAHOMA has negotiated special pricing for you on professional engineer continuing education programs featuring nationally recognized experts on subjects critical to career and business success from Contract Solutions Group (CSG). ACEC OKLAHOMA and CSG have partnered on ACEC OKLAHOMA's critically acclaimed "LUNCH & LEARN" seminar series.

National Experts at "To-Go" Prices — When you choose from these P.E. continuing education titles you save training costs while providing expert knowledge to your engineers.

Your training cost per person becomes \$8 per credit hour when you use one program to license 10 professionals.

How to View Titles: Click on the website link below to view the program titles located on the order form. When you click on the program title you will find an expanded description of each program.

<http://www.contractsolutionsgroup.com/state03ok.pdf>

24/7 Convenience — "Programs To-Go" are 60-minute programs on CD or cassette ~ allowing your engineers to learn on the go. Imagine achieving high quality P.E. continuing education credits while driving, working out, or participating with peers in an onsite lunch-n-learn.

Build a Library — At this price, you can afford to build a quality continuing education library that will serve your engineers' P.E. re-licensing needs for a long time.

How to Order — Simply print the PDF order form from the website, complete the order form and fax as indicated. Allow two weeks for delivery. Order early to insure to complete your P.E. credits by December 31st.

Your Purchase Supports ACEC OKLAHOMA — When you purchase "Programs To-Go" from us each title contributes \$20 to ACEC OKLAHOMA.

For more information call the ACEC OKLAHOMA office, or visit our website at <http://www.acecok.org/>.

Welcome New Member

ACEC OKLAHOMA is pleased to welcome our newest member, KEEN ENGINEERING.

Located at 1825 Derby Circle in Norman, Keen Engineering is a Civil Engineering and Land Development Planning firm. Gary Keen is the principal of the firm.

Welcome, Keen Engineering!!!!

ACEC Members Mobilized Against FAS 150

ACEC and its member firms are mobilizing against a new accounting standard that could significantly reduce, or even eliminate, the net worth of many non-public firms.

In May, FASB released its new accounting standard, Statement of Financial Accounting Standards 150 (FAS 150), which requires non-public companies to classify their stock as a liability or debt in situations where the firm automatically repurchases the stock at a specific time or circumstance, such as when a stockholder dies or leaves the firm. By treating the stock as a debt, the new standard will have a significant and adverse affect on the balance sheets of many non-public firms.

ACEC is protesting this measure in Congress and is requesting House and Senate hearings to highlight problems with the new rule.

"The new standard will create real problems for many engineering firms," said Paul Haglund of Greeley and Hansen in Chicago and Chairman of ACEC's Management Practices Committee. "At a single stroke, it will artificially eliminate the net worth of a firm, making it more difficult to obtain loans, bonding, leases and insurance. It may disqualify firms from competing for some client projects."

Mulcahy Nominated for ACEC Chairman

Edward J. Mulcahy, principal of TranSystems Corporation of Kansas City, Mo., has been nominated for ACEC chairman for 2005-2006. Mulcahy is past ACEC senior vice chairman and past president of ACEC of Missouri.

Our Congratulations to Ed, and we look forward to working with him in the coming years.