

# THE FIRST WORD

November, 2004

## November 11th ACEC OKLAHOMA Meeting to Feature Neal McCaleb

The next ACEC OKLAHOMA General Membership Meeting will be Thursday, November 11th at the Oklahoma Engineering Center.

The guest speaker for the meeting will be former Oklahoma Secretary of Transportation and former U.S. Assistant Secretary of the Interior Neal McCaleb.

A Civil Engineer, having graduated from Oklahoma A&M College in 1957 among the last class of Aggies, he was in the private practice of engineering and real estate development for 32 years. He has also spent 20 years in public service including eight years in the State Legislature. During his tenure in the House of Representatives he served four years as the Republican floor Leader.

Neal is currently serving as Chairman of the Oklahomans for Safe Bridges and Roads, which is the sponsor of an Initiative Petition drive now being circulated to put fuel tax increase (.05/gal cars & .08/gal trucks) dedicated to highway construction & maintenance to a vote of the people.

Neal will provide ACEC OKLAHOMA members an overview of the Initiative Petition, and the strategy that has been developed to place the question before the state voters.

He will provide members with a look at the activities of Oklahoma's Indian Nations and opportunities that ACEC OKLAHOMA members have to partner with the tribes on various building projects.

This will be a very informative program, and we look forward to seeing you there!

## ACEC OKLAHOMA GOLDEN

In September 1954, a group of visionary leaders formed the Consulting Engineers Association of Oklahoma (CEAO). Now, 50 years later, the American Council of Engineering Companies of Oklahoma (ACEC OKLAHOMA) continues the efforts begun in 1954.

The first Board of Trustees included a who's who of Oklahoma engineers: W. C. Roads, C. C. Pate, David Graham, Winfred Stueve, Williams Collins, Jr., and Roy Thompson. In October 1954, CEAO held its first Annual Meeting. In addition to the Trustees, attendees included David Benham, Herman Holmes, Wesley Shaw, John Carnahan, James McDonald, and William Holway.

Within the first year, three issues were of prime importance to the members and the association:

1. Attempts by Licensed Architects to "invade the field of engineering" by attempting to enact legislation prohibiting registered professional engineers in engaging in structural and architectural engineering;
2. The method cities use to select engineers for public works; and,
3. Fees and salaries.

Sound familiar?????

To celebrate the vision of these extraordinary leaders, ACEC OKLAHOMA will hold a 50th Anniversary Celebration on Friday evening, December 10th in Oklahoma City. Invitations have been sent to all member firms and everyone is encouraged to attend this evening of celebration, reminiscing, and entertainment.

## ACEC Wins Major Tax Cut For Engineering Firms; President Signs Bill

ACEC and its industry allies scored an "impressive victory" in a year-long campaign to secure passage of a major tax cut that will benefit the engineering industry. The American Jobs Creation Act (H.R. 4520), which President Bush signed last week, provides a new, nine percent tax deduction for A/E firms for income derived from projects in the US.

"This provision represents millions of dollars of direct benefit to ACEC members," said ACEC Chairman Bill Howard. "This is what ACEC is all about. It is why we pay dues. It is why we support the PAC. This is indeed an impressive victory."

The Jobs Act repeals a former tax benefit for US exporters-The Foreign Service Corporation/Extraterritorial Income Tax Inclusion (FSC/ETI)-and replaces it with new tax deductions for domestic enterprises that will be phased in over six years.

A year ago, the tax benefit was intended exclusively for manufacturing firms. ACEC however mounted an aggressive lobbying campaign to include A/E firms.

Tax Year	Deduction
2005	3%
2006	3%
2007	6%
2008	6%
2009	6%
2010 and Beyond	9%

ACEC and its business allies also were successful in assuring that the new tax deductions apply to both large corporations and small businesses (such as partnerships, S-corporations and LLCs).

Copy this link into your browser ([http://www.acec.org/advocacy/pdf/hr4520\\_section102.pdf](http://www.acec.org/advocacy/pdf/hr4520_section102.pdf)) for a further analysis of how the Jobs Act will benefit engineering firms.

### ACEC Business Insurance Trust Declares Dividend

The ACEC Business Insurance Trust has announced a 2.6% dividend on eligible premiums for the 2002-03 policy year. Firms participating in the ACEC Business Insurance program during that calendar year will receive a check from the Trust rebating 2.6% of premium paid.

This is just one of the many benefits of participating in the ACEC Business Insurance program. If your firm doesn't participate in the ACEC program, your firm is leaving money laying on the table.

To learn how your firm can benefit from the ACEC "by engineers, for engineers" program, call the Business Insurance Trust at 1-800-338-1391.

### Welcome New Member

ACEC OKLAHOMA is pleased to welcome our newest member firm.

C2A ENGINEERING, INC., 5516 S. Lewis Ave, Suite 20, Tulsa is a civil engineering firm.

William S. (Bill) Cyganovich is the principle of the firm. Prior to forming C2A Engineering, Bill was with the TranSystems Consultants office in Tulsa.

We welcome Bill and C2A Engineering to ACEC OKLAHOMA and ACEC.

# PSMJ A/E/C Project Managers Bootcamp

2 Complete Days of High Impact Training in A/E/C Project Management

Space is still available for the PROJECT MANAGERS BOOTCAMP, November 18-19 in Oklahoma City. Over 50 have registered for the seminar, but there's still plenty of room!!!!!!

The backbone of every A/E/C firm is, and always will be, its project managers. It is of central importance for every practice to develop highly skilled PMs in order to remain successful. Only at PSMJ's Project Managers Bootcamp® will you discover why over 25,000 of top A/E/C project managers have attended this industry-renowned Bootcamp - more than all other PM training programs combined!

That's why ACEC OKLAHOMA is partnering with AIA Oklahoma and the AIA Central Oklahoma Chapter to bring PSMJ's Project Managers Bootcamp® to Oklahoma!!!!!!

November 18-19 the Project Managers Bootcamp® will be held in Oklahoma City, giving your Project Managers the opportunity to participate in this outstanding program without having to travel halfway across the country. Your firm can save time and money by "staying at home" and still receive the full benefit of PSMJ's expertise.

This information-packed seminar is an engaging course like no other: fostering innovation, increasing productivity, and elevating responsiveness to clients' objectives. You will learn a lifetime of practical information that you can implement immediately to improve your projects and your bottom line.

You are GUARANTEED to walk away with practical strategies and insights on:

- \* What makes a strong Project Manager
- \* Planning the project
- \* Scheduling and methods available
- \* Establishing a budget
- \* Contracts and negotiations
- \* Firm finances and how they influence your project
- \* Managing your team effectively
- \* Managing your clients
- \* Quality control and risk management
- \* Productivity management
- \* Monitoring budgets and schedules
- \* Avoiding problems

Attendees will also receive a comprehensive 300-page filled manual, an in-depth summary of program content including course outline materials, forms, checklists, and reference materials. The field manual addresses virtually every subject that arises.

And, if it's not covered in the field manual, PSMJ instructors will follow up with you to get you the information you need.

The courses are infused monthly with new information, related industry changes, and new tools that will revolutionize the way you work today! Even if you are already a PM Bootcamp "graduate", consider all the new information, ideas, and tips you might be missing out on!

Registration fee for ACEC/AIA members is only \$895.00. Firms sending three or more individuals will receive additional discounts:

1. Three registrants from one firm: 1st two at full price, 3rd person at half price.
2. Four registrants from one firm: 1st three at full price, 4th free.
3. Five or more from one firm: 1st three at full price, 4th free, each additional beyond four at 25% off.

We are certain this program will be of interest to you and your colleagues and we look forward to providing you with the best tools, resources and expertise exclusive to the A/E/C industry.

Registration information is being sent to all ACEC and AIA members, and is also available on the ACEC OKLAHOMA website at [www.acecok.org](http://www.acecok.org).

Again, IT'S NOT TOO LATE TO REGISTER!!!!!! Space is still available, but don't delay. Send your registration in today or call ACEC OKLAHOMA at 405-525-7696 to reserve your seat.

Just because you do not take an interest in politics doesn't mean politics won't take an interest in you.--Pericles (430 B.C.)

**VOTE on November 2nd!!!!!!**

## ACEC Board Of Directors Briefed On Offshoring, Expectations Of Perfection

The ACEC Board of Directors received briefings on the emerging issues of "unrealistic client expectations" and "offshoring" (the exporting of design work overseas) at the Council's Fall Conference in Portland, Maine.

ACEC OKLAHOMA National Director Mike Arand and President Jim Sullins represented ACEC OKLAHOMA at the Board meeting.

Former Risk Management Committee Chairman Jack Beemer addressed problems and possible solutions regarding client expectations of "perfection." This issue, also known as a "standard of care" problem, involves unrealistic client expectations that lead to cost-recovery efforts against design professionals for work that does not meet a perfection standard. The Risk Management Committee has formed a subcommittee to consider what can be done to solve or mitigate the problem.

"The consequences of unrealistic expectations include spending countless hours of unbillable time arguing over what needs to be fixed, dealing with attempts to recover costs to fix any 'deficiency,' and being in an adversarial relationship with clients," Beemer told the Board members. "Unrealistic expectations may also lead the client to view the design professional as a commodity rather than a provider of professional services."

Negotiating better contracts; educating clients during negotiations to develop reasonable expectations; and advocating legislative or regulatory reforms to combat "perfection" standards in public contracts are possible solutions, said Beemer.

Procurement Advocacy Committee Chairman Tim Psomas briefed the Board on offshoring, a hotly-debated issue largely driven by election year politics. While citing the need to educate ACEC members on professional practice issues associated with offshoring such as maintaining quality control and the protection of sensitive documents, Psomas stressed that engaging in the practice is a decision that all ACEC member companies must decide for themselves.

ACEC's Procurement Advocacy Committee recommended a Council position that focuses both on increased education and strong opposition of Federal laws that aim to restrict offshoring.

## Congress Fails to Pass SAFETEA

Despite the efforts of Oklahoma Senator Jim Inhofe, Congressman Ernest Istook and many others, Congress failed to reach agreement on the reauthorization of the federal highway bill prior to the pre-election adjournment.

In a move that virtually assures that no action will be taken during the post-election "lame duck" session, Congress passed an eight-month extension bill to continue the TEA-21 highway and transit programs until May 31, 2005.

Despite ACEC's and industry efforts to pass a six-year bill this year, the reauthorization became mired in election year politics and the "tug of war" of competing state interests. A final deal on funding appeared to be close, but the drive to return home for the campaign season coupled with real uncertainties over how various states would fare under the compromise prompted House and Senate members to put off a six-year bill until next year.

"While the eight-month extension provides some continuity for the program into next year, states have significantly cut back on design and planning work due to the lack of a multi-year bill," said ACEC Chairman Bill Howard. "ACEC will work to keep Congress' feet to the fire and get this vital legislation passed as soon as possible."

House and Senate negotiators had come close to agreeing on the final outline of a compromise package that would authorize nearly \$300 billion for surface transportation programs through 2008. Uncertainty among the states over the impact of this funding level, which guarantees the states \$284 billion over the six-year life of the package, coupled with other policy differences and the short time frame remaining before Congress returns home, scuttled efforts to finish work on the new program.

The eight-month extension bill effectively provides states with two-thirds of their F.Y. 2005 funding, or \$24.5 billion for highways and \$5.2 billion for transit.

Oklahoma's construction program is 100% dependent on federal funds. ODOT is already having to adjust their letting schedule due to the uncertainty of federal funding. If Congress doesn't act soon, ODOT will have to further cut back on their design and construction program.