LEGISLATIVE UPDATE AND COMMITTEE REPORTS FROM MAY BUSINESS DINNER

COBA’S CAPITOL COMMENTARY...
Legislative Update & Committee Report by ACEC Oregon lobbyist, Marshall Coba, CobaCo, LLC.

The legislative session enters its last month with a lengthy list of new laws and a commitment to adjourn on time. As the legislature struggles to reclaim its relevance and respect to the public, the Democrats in control are pleased with the orderly and substantial progress that has been made. The real debate will be on the policy issues that have been passed and the value and/or cost they will have for all Oregonians.

ACEC Oregon introduced four bills that were all assigned to the House Judiciary Committee. Three of the bills had a hearing and one, HB 2708, the change of indemnity law, was successfully passed through both chambers and is on its way to the Governor. HB 2710, job site liability, and HB 2711, strengthening of the certificate of merit law, did not move out of committee.

A late session push on transportation funding by a coalition of business interests has resulted in an increased license plate fee coming out of the Senate Business, Transportation and Workforce Development Committee chaired by Sen. Rick Metsger. The annual amount raised will be $9.5 million. Bonded over 20 years this raises $130 million for infrastructure investments. This is in addition to the ConnectOregon II package that is $100 million for ports, rail, transit and airports and is expected to pass.

The committee has made a commitment to work through the interim to prepare a “significant” transportation plan for the 2009 session. The legislature better understands the substantial need for investment in modernization and maintenance and is planning to step up and address the need in 2009.

This week an interesting meeting led by Rep. Dave Hunt, House Majority Leader, and Rep. Wayne Scott, House Republican Leader, was held to discuss the possibility of a transportation funding package this session. This meeting was held just days after a public announcement that any and all funding packages were dead for this session. The meeting was attended by a room full of interested parties including business, unions, local governments, ODOT and several legislators and their staff. The outcome of the meeting was to hold a closed door meeting with legislative leadership to address what, if anything, would be done in addition to the license plate fee increase passed out of Sen. Metsger’s committee. These discussions are ongoing and could lead to additional hearings in the next week or so.

The Legislative Committee has tracked and monitored 80 bills concerning the profession this session. One bill of concern is HB 3366. The bill passed out of committee and is now in the (continued on page 4)
FROM THE PRESIDENT
by Dwight Hardin, P.E.

My term as president will end later this month when Mel Sears is sworn in as the next president during the Networking Day dinner. Past President Ken Wightman will also retire from the board. Mel and Ken have been instrumental in fostering a much improved working relationship with ODOT and have worked very hard as board members. Thanks Ken and best of luck and success to Mel!

This has been a busy year for ACEC Oregon particularly with the legislature in session considering bills introduced by ACEC Oregon, transportation funding, and bills introduced by others that could impact the broader professional services industry and particularly engineers. It appears that our bill involving indemnification will be passed; however, our other bills will not and will be back for the next session. Transportation funding has been an up and down discussion that has ranged from very encouraging to a dead end to a possibility at the time of this writing. Whether this legislature steps up and tackles this critical issue will probably not be sorted out until the end of the session which is scheduled to end no later than June 30. During the session, HB 3366 has been introduced which would require very detailed record keeping and reporting by all state agencies regarding their use of professional services contractors. The information would be provided to the Department of Administrative Services which would provide a very detailed report to the legislature on annual consultant contracting. The legislation was introduced at the request of the state employees union and is touted as increasing the transparency of state spending. But make no mistake, this is clearly part of a larger effort by the state employees’ union to convince the legislature and governor to increase the state work force and reduce the volume of work given to professional services consultants. ACEC Oregon has testified regarding the financial impacts of this bill and will continue to seek the opportunity to testify as the bill receives additional hearings. Also during the session, ACEC Oregon has been part of a very loud voice calling for restoration of higher education funding, particularly in the engineering and physical science schools that are so important to Oregon’s economic health.

As discussed during the recent annual business meeting, our year ends with a very healthy organization that is fueled by dynamic, hard working, and effective committees. The call recently went out for committee volunteers and I encourage you to participate. This is a great way to learn more about the workings of ACEC Oregon and contribute to the organization. Financially, ACEC Oregon is in excellent condition and a dues increase will not be needed for the coming fiscal year. Much of our success is due to the excellent support provided by executive director Alison Davis and assistant Meredith Webber. Their good work, attention to detail, and fiscal responsibility have been instrumental to our conditioning success. I want to thank Alison and Meredith personally for the help given me this year. As someone with a less than perfect memory when it comes to schedules, meetings and deadlines, it has been much needed and appreciated.

At the beginning of the year, I had hoped to spend more time addressing the perceived shortage of engineering graduates. I plan to continue this effort in the future by working with the Education Committee. If this is an issue that impacts your business or interests you personally I encourage to also join the committee.

It has been a great honor and very rewarding to serve as president this year. Thank you for the opportunity and I hope to see you at Networking Day.
NATIONAL DIRECTOR REPORTS FROM WASHINGTON, DC
by Raymond T. Miller, P.E., S.E., FACEC

Three items were presented for a vote during the ACEC Board meeting at the ACEC National 2007 Annual Spring Convention in Washington, DC; they are:

1) Approval of the baseline budget (CPI +1.9%) for next three years.
2) Approval of one year reallocation of $150,000 interest on the reserve account to fund a one year membership option in 2008.
3) Approval of reallocation of $175,000 of interest on the reserve account to fund the PAC initiatives in each of the three years of 2008, 2009, and 2010.

All three items passed.

During the board of directors meeting, ACEC reported that the political landscape in Washington, D.C. has changed, and that the ACEC government affairs staff will continue to work hard representing the engineering community.

Four main issues were discussed during Hill visits with members of Congress:

1) Three percent withholding mandate which requires federal, state and local governments to withhold from payment for services that have an annual expenditure exceeding $100 million. The mandate applied to the total cost of the contract and takes effect in 2011.
2) Transportation Funding Shortfall will start showing up in the spending level specified in SAFETEA LU in the year 2009. Short term solutions to keep the Highway Trust Fund solvent are critical. Several options are being identified including tax on sales of low fuel efficiency vehicles, tax enforcement and exemptions from highway Trust Fund excise taxes.
3) Water infrastructure crisis due to the funding gap of what being made available and the government reports on what is needed to fund the nations water and wastewater systems.
4) Engineers shortage is having effects both on our economy and our place in the world economy. Both short term and long term solutions are being proposed to help fill the coming essential role of addressing public policy issues by engineers.

Thank you to Alison Davis and Jack Beemer for their lobbying efforts on behalf of ACEC Oregon.

Discussion items presented to the Board were to broaden the membership base of ACEC and the QBS study.

The broadening issue was a presented on paper and discussed delving deeper into the ranks of member firms to gain more participation in Council programs. The objective would be to generate participation from the next generation of firm leaders.

The QBS study is an appeal to firms to submit as many examples as possible in the procurement of their firm’s engineering services. Several clients are questioning the need for QBS in the procurement process and this study will produce a quantitative answer to the question. More project procurement examples and experiences are sought for this study; please submit your information to the study website at www.qbsstudy.com.

The ACEC National board member for Oregon has been Woody Germany from Montana. The new ACEC board member for Oregon is Greg G. Thomopoulos from Iowa.

If you have any questions about the items noted above, please contact me at phone (503) 799-2057. Also, your input on these items or any questions on ACEC National issues can be directed to Alison Davis at (503) 292-2348 or adavis@acecOregon.org.

Pictured at left are ACEC Oregon National Director and Past President Ray Miller, P.E., S.E., FACEC, (left), and ACEC Oregon Executive Director, Alison Davis, (right), as they accept ACEC Oregon’s award for achieving membership goals for 2006-2007 from ACEC National Vice Chair Jeff Daggett, W&H, Pacific, during the member organization luncheon May 6 at the ACEC National Spring Convention in Washington, D.C.
COMMITTEE REPORTS CONTINUED (continued from page 1)

House Ways and Means. HB 3366 is an anti-privatization bill and would require the Department of Administrative Services and private consultants to maintain records about state contracts for consulting services and report information about those contracts to the legislature. Unions supporting the bill held a rally on the Capitol steps recently and urged legislators to pass the bill. They referenced several instances where private firms appeared to be more expensive than if staff had done the work. While these examples were not all design related, we can expect that the issue of outsourcing work historically done by state employees will be back in the 2009 session and that it could have significant impact on state contracted design work in the future. HB 3366 has a huge fiscal impact of several million dollars per year for Department of Administrative Services to implement the computer systems necessary to track the required information so its passage is in doubt, but the groundwork has been created to keep this issue alive in the coming sessions.

The campaigns of 2008 and beyond are already beginning to take shape. In a couple of instances the caucuses have mailed flyers into key swing districts accusing the current legislator of not voting appropriately. With the House controlled by the slimmest of margins of 31-29 this can be expected. The battle for control of the House will be costly and rough. The Senate will remain in Democratic control in 2009 with only a couple of seats expected to be strongly contested. Among these could be the Bend seat held by Sen. Ben Westlund who is considering running for statewide office. Since he switched from Republican to Democrat last summer the R’s have been eyeing this seat and will have formidable candidates ready to run if Westlund does or does not run again for the Senate.

Thank you to all the firms who contributed to our political action committee, the ACEC Oregon PAC, this year. We will begin the 2007-2009 election season with nearly $13,000 in the bank. This will allow us to make some early contributions to key legislators seeking re-election.

Thank you also to everyone who contacted their legislators when asked and participated in “Day at the Capitol.”

Special thanks to Ray Miller, Jim Marvin, Melissa Johnson and the rest of the Legislative Committee for all their help during the session.

LEGISLATIVE COMMITTEE
CHAIR: Melissa Johnson, David Evans and Associates, Inc.

Overall committee goal is to be a legislative advocate on Oregon issues. The committee has had a busy year! Please see details under Marshall Coba’s “Capitol Commentary” above; and more details about several legislative events held over the year can be found under the Programs Committee report.

PROGRAMS COMMITTEE
CHAIRS: Alison Davis/Merideth Webber, ACEC Oregon

Programs for this fiscal year began in August 2006 with a legislative breakfast with gubernatorial candidate Ron Saxton, hosted by CH2M Hill. This was followed by the annual Fall Conference and Auction at Salishan in September.

We also held a series of three risk management breakfast programs in the fall at David Evans and Associates, Inc.

In December we had a legislative preview dinner with Sen. Betsy Johnson; then came the Engineering Excellence awards dinner in January with more than 200 in attendance.

In February we held our “Day at the Capitol” in Salem and gave ACEC Oregon mugs to legislators.

In March there was a program held by ACEC National, “The Business of Design Consulting,” which attracted attendees from across the nation.

There was also a joint April dinner program with the Associated General Contractors featuring ODOT Director Matt Garrett. This was well attended and AGC agrees with us that this should become an annual event.

May brought the annual business dinner where committee reports were presented and the general membership voted on the budget for the 2007-2008 fiscal year. (See more details under the Operations Committee report.)

A big event is June 27, the annual Networking Day golf tournament and dinner; this year’s tournament is again with ASCE’s Younger Member Forum.

If you have any ideas for a speaker or program, please let us know!

SCHOLARSHIP COMMITTEE
CHAIR: Julia Kuhn, Kittelson & Associates, Inc.

Committee goals are to provide oversight and direction for the scholarship program, including fundraising activities, management of the endowment fund, placement of scholarships, coordination with universities, and interaction with scholarship recipients.

Noteworthy accomplishments this year include awarding the 2006-2007 scholarship and raising money for the scholarship fund from auction proceeds and sale of hole sponsorships and mulligans at the golf tournament.

Committee plans to begin discussions about how to broaden the mission of the committee to incorporate a stronger tie to

Pictured at the April 25 joint dinner program with the AGC are, from left, ACEC Oregon President Dwight Hardin, GRI, ODOT Director Matt Garrett, ACEC Oregon Executive Director Alison Davis and AGC Executive Director Craig Honeyman. ACEC Oregon also took the opportunity to present Garrett with a certificate of appreciation “in grateful acknowledgment of (his) continued leadership and commitment to the partnership between ACEC Oregon and the Oregon Department of Transportation.”
local universities to help encourage and mentor future engineers.

At this writing, the committee is meeting to review applicants from which to award the 2007-2008 scholarship.

**RISK MANAGEMENT COMMITTEE**

**CHAIR:** Jack Beemer, David Evans and Associates, Inc.

Objective is to assist member firms and others in understanding and managing risk, and to advocate change in legislation and regulation to properly control or allocate risk.

Goals are to provide basic risk management and professional liability insurance information to members; to develop risk management programs to educate members; to recommend tort reform and other legislation for consideration to the Legislative Committee; to review proposed legislation and regulations as requested; and to provide risk management assistance to other committees, staff and the board.

Accomplishments this year include the development and presentation of three panel discussion programs based on risk management practices survey: “Clients and Business Opportunities” in September, “Contracts and Insurance” in October, and “Claims Management and Dispute Resolution” in November.

Committee also reviewed legislative issues in support of and met jointly with the Legislative Committee; promoted change in anti-indemnity statute to protect design professionals; and evaluated codifying economic loss rule. Committee is currently supporting amicus brief to Oregon Supreme Court actions to protect economic loss doctrine in Oregon and evaluating electronic signature issues.

**OPERATIONS COMMITTEE**

**CHAIR:** Jay McRae, CH2M Hill

Committee goals are to review the annual salary and benefits survey questionnaire and to provide recommendations for updating the survey in advance of data collection. The committee also reviews and comments on the salary survey data and report. Committee is also responsible for reviewing ACEC Oregon’s annual budget and making recommendations for board approval.

The Operations Committee would like to commend the performance and financial stewardship demonstrated by our ACEC staff. Our staff is an asset to the organization.

**ODOT LIAISON COMMITTEE**

**CHAIR:** Bob Carson, Mason Bruce & Girard, Inc. (with Tom Lauer, ODOT, as co-chair)

The ODOT Liaison Committee is comprised of a Steering Committee plus three Standing Committees. Their goals and accomplishments are as follows:

**STEERING COMMITTEE** Mission is to manage the relationship between ODOT and ACEC Oregon. Key issues we’ve been working on in the past year include:

- Audited overhead rates.
- Update to consultant rates based on new costs.
- Develop a standardized process for annual contracts, and to provide comments on standard terms and conditions in ODOT contracts.
- Conduct constructability reviews as far as developing “Guidelines for Project Teams;” constructability reviews--working with ODOT to enhance the visibility and knowledge of the existing process; and design criteria checklists--developed a draft checklist that ODOT is reviewing.

**Procurement & Contracts Committee** This committee has had more than a dozen meetings to negotiate the standard terms and conditions in ODOT contracts, and to provide comments on ODOT’s proposed billing rate policy. The committee also worked with ODOT to develop a standardized process for annual update to consultant rates based on new audited overhead rates.

**Training Committee** This group ensures that consultants can participate in ODOT training opportunities. ODOT now routinely invites consultants to their training classes. They put on a very successful April 17 joint ODOT/ACEC Partnering Workshop in Wilsonville.

Overall, ODOT Liaison Committee meetings are very well attended with about 30 to 40 people each time, with about 75% consultants and 25% ODOT.

Also of note is that committee chair, Bob Carson, will (continued on page 6)
PB WINS ACEC NATIONAL GRAND AWARD FOR THEIR WEST SIDE COMBINED SEWER OVERFLOW PROJECT

PB accepted a Grand Award for their West Side Combined Sewer Overflow (CSO) project during ACEC National’s Engineering Excellence Awards Gala on May 8 in Washington, D.C. The award was one of seven grand awards selected from 180 entries; 16 entries received Honor Awards; one Grand Conceptor Award is given.

The West Side CSO Project seeks to improve water quality, public health and the environment by reducing CSOs into the Willamette River to create a livable, sustainable community. The project consists of a pump station, shafts and a 4-mile-long tunnel 120 feet underneath downtown Portland, along the river.

Noteworthy features include the first use of large diameter slurry mix-shield tunnel boring machines in the U.S. and one of the largest and deepest shafts excavated in saturated soft-ground conditions in the country for the pump station. In September 2006, the WSCS0 project was completed over two months ahead of schedule, well under budget, with a strong worker safety program and a local business utilization that exceeded the client’s goals.

ACEC Oregon member firms that were named National finalists include: Degenkolb Engineers for Providence Newberg Medical Center; KPFF Consulting Engineers for Bob and Diana Gerding Theater at the Armory; Nishkian Dean for Cape Canaveral AFS Launch Complex 41 Vertical Integration Facility Emergency Door Replacement; and Otak, Inc. for I-84 Corridor Strategy.

COMMITTEE REPORTS CONTINUED (continued from page 5)

be ending his three-year tenure this fall. Karen Tatman, Quincy Engineering, Inc., will be assuming the role of chair after the September meeting.

USACE LIAISON COMMITTEE
CHAIR: Andy Vessely, Cornforth Consultants, Inc.
Committee goals are to ensure cooperative dialogue between U.S. Army Corps of Engineers (USACE) and ACEC Oregon; clarify and understand the changing roles of USACE and the private sector; foster an attitude that explores opportunities and resolves issues; and promote QBS procurement of A/E services. Accomplishments include holding quarterly meetings highlighting issues of interest to USACE and ACEC Oregon. Meeting topics included updates of current Corps involvement in Iraq (infrastructure reconstruction) and Afghanistan (border security); discussion of PM and cost management software; and a discussion on the national levee safety program and a briefing on post-Katrina efforts.

Possible topics for future meetings include Corps regional sediment management program, jetty reconstruction and realignment, and an update on SF 330 forms.

If you have other topics of interest you’d like to hear about please bring them to the committee’s attention.

OACES LIAISON COMMITTEE
CHAIR: Mike Swan, OBEC Consulting Engineers
After a long hiatus, the OACES (Oregon Association of County Engineers & Surveyors) Liaison Committee is meeting again. The committee met three times in 2006 in February, June, and September. Topics of discussion included the two-tiered selection process, environmental permitting and consultant fees.

The discussions were lively and they provided a good opportunity for the attendees to gauge the concerns of the others.

On both the ACEC and OACES sides, there was concern about the two-tiered process but as it turns out it was basically a complaint on the odd occasion when something went wrong or when firms didn’t think they were getting enough work. On the whole, the complaints appear to be fairly infrequent and no one wanted to pursue any changes.

As for the fee question, the people who participate in the committee meetings understand that the cost of business is getting higher and that the consulting firms are not arbitrarily padding their tasks and fees just for the sake of doing the work. Rather, it’s a result of the continuing increase in complexity of the regulatory arena. It behooves us, however, to be cognizant of our clients’ concerns.

The most productive topic was environmental permitting. The discussion led to a presentation at the Association of Oregon Counties fall conference in November. The presentation covered the needs for permits and what happens in the “black box” of the process. The AOC attendees were uniformly pleased with the presentation.

By and large, the relationship between ACEC and OACES is good. As issues arise, we will meet again.
GET INVOLVED & DEVELOP YOUR LEADERSHIP SKILLS—
VOLUNTEER FOR AN ACEC OREGON COMMITTEE TODAY!

The work carried out by committees is the backbone of ACEC Oregon. Participation in committees directly affects the organization and helps advance the mission of the council. Committee work is both educational and interactive.

Committee members have a chance to interact with other ACEC Oregon members which can lead to improved business practices in their firms. Participation on an ACEC Oregon committee is also a great way to gain leadership skills and to give back to the profession.

Please check the committee(s) on which you’d like to serve for 2007-2008. If you’re interested in serving on more than one committee, please rank your choices with 1 being your first choice, 2 your second choice, and so on. If you are currently a member of a committee and want to continue, please complete the form below and fax to (503) 292-2410 or e-mail mwebber@acecOregon.org indicating on which committee you’d like to continue or participate. Get involved today!

ACEC Oregon 2007-2008 Committee Volunteer Form

SIGN-UP BY FRIDAY, JUNE 29! Please rank your choices if you’re interested in serving on more than one committee.

Name: ________________________________________    Firm: ____________________________________________
Phone: ________________________________________    E-mail:  ____________________________________________

By June 29, please fax to (503) 292-2410 or mail to: ACEC Oregon, 5319 SW Westgate Dr., Suite 221, Portland, OR 97221.

☐ RISK MANAGEMENT COMMITTEE
Objective: To assist member firms in understanding professional liability insurance and how to identify and manage professional liability risks. Also, to help improve the legal climate for improving competitiveness and the business environment.

☐ LEGISLATIVE COMMITTEE
Objective: To promote and protect the interests of consulting engineers primarily through state legislative action, monitor legislation, provide opinions on legislation and work with the ACEC Oregon lobbyist.

☐ OPERATIONS COMMITTEE
Objective: To provide budget oversight, monitor the financial affairs of the Council, and to write and recommend sound fiscal policies and procedures, including investment strategies.

☐ SCHOLARSHIP COMMITTEE
Objective: To provide oversight and direction for the ACEC Oregon scholarship program, including fund raising activities, management of the endowment fund, placement of scholarships, coordination with universities, and interaction with scholarship recipients.

☐ PROGRAMS COMMITTEE
Objective: To work with the Executive Director, review program ideas and make recommendations for future events, including membership meetings, educational programs and the annual meeting. Also support the annual Engineering Excellence program by review of potential rules changes, and provide input regarding program direction.

☐ LIAISON COMMITTEES (pick one below)
Objective: To provide members with the opportunity to improve working relationships with public agency personnel. Each liaison committee has its own agenda, but communications and problem-solving are primary concerns.
☐ ODOT (Oregon Department of Transportation)
☐ U.S. Army Corps of Engineers
☐ OACES (Oregon Association of County Engineers & Surveyors)
THE REWARDS & RISKS OF BUILDING INFORMATION MODELING

This article is provided by Morgan West, Kibble & Prentice, a USI Company, a member of the ACEC Oregon Risk Management Committee. This material is provided for informational purposes only. Before taking any action that could have legal or other important consequences, confer with a qualified professional who can provide guidance that considers your own unique circumstances.

Building Information Modeling – or BIM – has been touted as the design tool of the 21st Century – the biggest thing since sliced CAD. Proponents exclaim that it enables architects and engineers to create detailed three-dimensional models that take the guesswork out of design intent and construction. Project owners like it because it enables them to better visualize the completed project and provides a 3D blueprint for continued building operation and maintenance.

BIM truly presents great promise. But with any new process or technology comes great risk as well. Is BIM truly all that it’s cracked up to be? What rewards can the designer and project owner really expect? What are the drawbacks? And just how quickly should design firms jump on the BIM bandwagon?

The Benefits of BIM First things first: What exactly is BIM? The definition remains a bit unclear due to the fact it is an evolving concept. What is clear is that BIM is a lot more than just the ability to produce conceptual 3D models.

They key to BIM is the “I” in the middle: Information. BIM is centered on the development of a single project database that contains complete project data, both graphical and non-graphical. That includes all architectural and structural information as well as electrical and mechanical systems and other “real-world” data. Designers can also create links from the database to outside information resources, such as manufacturer specifications.

By having all project information contained in a single, continuously updated database, the theory goes, it is easier to manage the accuracy of data and integrate all aspects of the project during the design stage. This leads to better specifications, estimations, budgets, schedules and compliance, as well as the ability to produce detailed 3D models and simulate construction.

From the owner’s perspective, BIM offers the promise of a high quality project, as well as time and cost savings. The 3D models enable project owners to gain a better understanding, early in the design process, of how their final project will look. Design issues can be addressed early on with the prime consultant. If revisions are made, the database and model are updated as necessary and changes are automatically integrated throughout the process. This should lead to fewer surprises, errors and omissions. Plus the owner benefits by having more detailed models and schematics on hand for ongoing operation, maintenance and renovation of the project.

During the construction phase, contractors should now have more complete data as well as a more effective representation of design intent. In the end, there is a greater likelihood that the finished project will look like the completed design.

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Design firms that become proficient with BIM have the ability to substantially increase their scope of services and their fees. They become candidates for more projects as owners increasingly demand BIM services. Truly, all parties to the design and construction process can benefit greatly as the promise of BIM is realized.

Do Risks Outweigh Rewards? Indeed, the promises of BIM are attractive. However, as with any dramatic change, there are substantial risks. These need to be weighed carefully before jumping into BIM with both feet.

Becoming proficient in Building Information Modeling can be a long and costly process. It demands buying and becoming familiar with new software programs. This typically means substantial training for your staff – and we’re not just talking about the drafters and designers sitting at the computer. BIM requires a substantial shift in the overall design process. Everyone from top executives down needs to understand BIM and how it changes the design process. Subconsultants, contractors and subcontractors also need to be on board to gain the full benefits of online collaboration.

BIM changes the dynamics between you and your clients. Project owner expectations can soar and need to be carefully managed. Your clients may anticipate faster, error-free and therefore lower-cost projects. They need to be educated that BIM will likely result in higher design fees to reflect your increased scope of services and increased level of responsibility in managing project information.

BIM also changes your relationship with subconsultants, contractors and other parties to the design and construction process. Because you are managing the compilation of and access to project information from multiple sources, lines of responsibility are blurred. There are no unified industry standards regarding how BIM projects are managed and who is responsible for what. Your initial ventures into BIM are especially fraught with danger. You can expect missteps, redundancies and gaps in performance until parties become experienced and comfortable with the new design process.

With your first BIM projects you can expect resistance to change, both within and outside your firm. People don’t like being asked to perform outside of their comfort level, and BIM can be a threat to those who are still struggling to feel comfortable with CAD and other new technologies.

Liabilities and Insurance One of the biggest unknowns with BIM is how it affects your professional liabilities and how the insurance industry will handle claims on these projects. BIM is indeed still in its infancy and there are few precedents to help insurers, attorneys, judges and juries sort out responsibilities in the event of a claim.

Even though BIM holds great long-term promise in reducing project errors and omissions, most in the insurance and design industry agree that BIM may actually increase the design firm’s liabilities in the short term. New processes are rarely adopted without trial and error. The prime designer now compiles and manages virtually all project information.
THE REWARDS & RISKS OF BIM
(continued from page 8)

Contractors and others who rely on the prime for complete and accurate project information will likely point fingers at the prime when project upssets occur. There are also liability issues regarding ownership of that information. What if the design firm inadvertently reveals trade secrets or proprietary information when sharing project data? What rights does your client have to use project information for future operation and maintenance?

Current laws, standards and legal precedents are based on a system of design and construction that has changed little in decades. Because of the dramatic shift in how information is gathered, used and shared using BIM, those standards may not apply. The distinct separation of roles among primes, subconsultants and contractors has been blurred and it will likely be decades more before new insurance and liability standards are developed. Meanwhile, BIM and other high-tech approaches to design and construction will continue to evolve at a rapid pace. The insurance and legal fields will be challenged to adapt to current practices while continuing to play catch-up as new standards develop.

What Are Design Firms to Do? How quickly and completely design firms will embrace BIM as a design process will depend on a variety of issues. Take into account these factors when analyzing BIM’s place in your future:

Company Philosophy Is your company a leading-edge risk taker with a bent toward high technology or a more conservative firm that would rather follow than lead the pack? Consider how readily your firm adopted CAD as a primary design tool. This should give you an indication of how readily you can integrate BIM into your future.

Management Commitment How committed is top management to BIM? Principals must be completely behind BIM and be willing to make the necessary investment. Management must set the tone and lead the fight against resistance to change. Staffing, training, hardware and software purchases and the use of outside consultants are typically required in order to transform the way you deliver projects.

Client Readiness How much of your current and projected client base is demanding – and willing to pay for – BIM as the design process of choice? This factor goes a long way to determining how quickly BIM is adapted by your firm. If design-build project delivery and/or highly innovative designs are a big part of your future, so is BIM. If your clients and projects are relatively traditional, then BIM may not be a big part of your upcoming plans. Regardless of how many of your clients choose BIM, managing their expectations is vital. Don’t oversell the benefits.

Risk Awareness Are you prepared to address the added risks and liabilities that may accompany BIM? As you venture into a new design process, the tried-and-true staples of risk management become even more important. Client and project selection are critical. Protective client contract language regarding the control, use and distribution of information, as well as intellectual property rights, is essential. Communication with your client, the contractor, subconsultants and subcontractors is increasingly key. All parties should commit to addressing problems early and often so that disputes can be resolved as quickly and painlessly as possible.

As your insurance advisor, we can help you sort through coverage and insurability issues related to the expanded scope of services you might provide with BIM. While this area is still evolving, taking prudent action and following the basics of loss prevention can go along way to making your venture into BIM successful.

Can We Be of Assistance? We may be able to help you by providing referrals to consultants, and by providing guidance relative to insurance issues, and even to certain preventative, from construction observation through the development and application of sound human resources management policies and procedures. Please call on us for assistance. We’re a member of the Professional Liability Agents Network (PLAN). We’re here to help.

This column and the material contained therein is intended for general discussion of the subject, and should not be mistaken for legal advice. Readers are cautioned to consult appropriate advisors for advice applicable to their individual circumstances.
MARK YOUR CALENDAR...

JUNE
■ June 21 Thursday
Board of Directors Meeting
ACEC Oregon Conference Room

■ June 27 Wednesday
Networking Day Golf Tournament and Dinner
Langdon Farms Golf Club, Aurora

SEPTEMBER
■ September 20-22
Thursday thru Saturday
ACEC Oregon Fall Conference
Mount Bachelor Village Resort
Bend, Oregon

■ September 26-29
Wednesday thru Saturday
ACEC Nat’l Annual Convention
Fall Conference at the
Grand Wailea Resort & Spa, Maui, Hawaii
For more information go to http://www.grandwailea.com.

NEW BOARD OF DIRECTORS
ANNOUNCED FOR 2007-08

ACEC Oregon is pleased to announce its new board of directors for 2007-2008. The officers will be sworn in June 27 at the Networking Day dinner.

PRESIDENT
Mel Sears
Parametrix, Inc.

VICE PRESIDENT
Troy Bowers
Murray, Smith & Associates, Inc.

PRESIDENT-ELECT
Gregg Scholz
R&W Engineering, Inc.

IMMEDIATE PAST PRESIDENT
Dwight Hardin
GRI

SECRETARY/TREASURER
Andy Vessely
Cornforth Consultants, Inc.

REGIONAL VICE PRESIDENT
Gayle Harley
OBEC Consulting Engineers

Pictured at the ACEC Oregon/ODOT conference April 17 are, from left, Brian Copeland, DKS Associates; Terry Song, OBEC Consulting Engineers; Dana Beckwith, DKS Associates; and Dan Houf, Harper Houf Peterson Righellis Inc.