Annual ACEC/ODOT Conference a Big Success

Thank you to the Oregon Department of Transportation and all the individuals and firms that helped to make the fifth annual ACEC/ODOT Partnering Conference an overwhelming success!

This year’s conference was attended by 250 participants. The day was filled with discussion about the state of the industry, the changing face of transportation, and challenging funding issues at both the state and federal level. A new strategy, “Practical Design,” was a conference highlight. William Petit, P.E., District executive of the Pennsylvania Department of Transportation, spoke on “Smart Transportation” and how PennDOT is applying the Practical Design strategy.

Other conference speakers included Lynn Peterson, Clackamas County; Matt Garrett, ODOT Director; Doug Tindall, ODOT Deputy Director; Travis Brouwer, ODOT Senior Federal Affairs Advisor, and Troy Bowers and Cathy Nelson, Co-chairs of the ACEC Oregon/ODOT Steering Committee.

ACEC Oregon/ODOT Liaison Committee member Tim Shell, KPFF Consulting Engineers, does some networking in the exhibit area.

From the President
by Gayle Harley, P.E.

Spring has been a busy time for many of our ACEC members. Our annual ACEC/ODOT Partnering Conference was clearly a success with nearly 300 attendees, split approximately 50/50 between agency folks and ACEC members. The theme was “Practical Design” and how it can be reasonably applied to future transportation projects administered by ODOT. A very informative presentation by representatives from the Pennsylvania Department of Transportation on their experience with “Smart Design” helped frame the future opportunities in Oregon. ACEC and ODOT also made a special presentation to the retiring Doug Tindall, ODOT Deputy Director, for his many years of service to our industry.

The ACEC National Conference in Washington, D.C. at the end of April was again very worthwhile for the nine Oregon members who attended and is highly recommend for others to consider in the future. The opportunity to meet with our legislators and deliver the national agenda from an Oregon prospective is invaluable and always well received by the legislators and their staffs. Obviously this year the main topic involved the economy and our support for an infrastructure-based recovery agenda involving aviation, water, and highways. Although our legislators generally support our agenda, our message to them was to complete the necessary legislation as quickly as possible because we in Oregon are in need now. We also revisited the subjects of maximizing private sector innovation and repealing the 3 percent withholding mandate that is scheduled to go into effect in 2012, which was also well received.

The national conference is also the opportunity to vote at the annual board of directors meeting on issues that affect our membership. This year the main issue involved the budget and the national dues structure for the next three years for all firms. After a lengthy discussion and multiple votes on amendments to the three options on the table, the decision to not increase dues in the first year with a CPI plus 1.9 percent increase for years two and three was approved. ACEC Oregon’s National Director, Gregg Scholz of R&W Engineering and Ken Wightman of David Evans and Associates, National ACEC Vice Chair, represented Oregon well in this highly contentious issue.

Your local board members have also been active this spring having numerous discussions with ODOT and Department of Justice representatives regarding outsourcing of projects and some erosion of the QBS process throughout our state. Although some general understanding of the QBS law is acknowledged at the state and local levels, continued education about QBS will be necessary in the future.

Coming from the national convention, you get to see the real value of the PAC contributions and how those dollars are working for each of us to improve and protect the engineering business. ACEC Oregon board members will again be calling on the membership this year to help reach our goal.

On a final note, my term as your president will end in June. I appreciate my fellow board members for the efforts they have put in this year to better our industry and I want to thank the entire membership for your support. I also want to thank Alison, Meredith, and Evan for their outstanding efforts to keep the ship running in the right direction. Thank you.

Thank you, 2010 National ACEC PAC donors!

A big Thank You to the following individuals who have contributed to the national ACEC PAC in 2010. Donations received January 1 through April 30, 2010:

- Michael Baker David Evans and Associates
- Jack Beemer David Evans and Associates
- Troy Bowers Murray, Smith & Associates
- Marc Butorac Kittelson & Associates, Inc.
- Joe Gehlen Kramer-Gehlen & Associates
- Gayle Harley OBEC Consulting Engineers
- Aaron Isenhart Harper Houf Peterson Righellis
- Steve Litchfield HNTB Corporation
- Jay Lyman David Evans and Associates
- Gregg Scholz R & W Engineering, Inc.
- Ken Stoneman David Evans and Associates
- Travis Tormanen Kennedy/Jenks Consultants
- Larry Van Dyke Kittelson & Associates
- Kay Van Sickel Mead & Hunt
- Andy Vessely Cornforth Consultants, Inc.
- Ken Wightman David Evans and Associates
Among Ourselves...

The ACEC Oregon Board of Directors is pleased to announce the following new member firms. Please welcome...


THE WALLACE GROUP, INC., 6295 NE 18th Street, Suite 1, Bend, OR 97701, phone (541) 382-4707, www.wallacegroup-inc.com. Firm representative is Scott Wallace. Other key personnel is Mark Herbert. The firm provides geotechnical, environmental, water resource, and construction materials testing/inspection services. It is a certified small business.

Affiliate member EPIC LAND SOLUTIONS, INC., 9600 SW Oak Street, Suite 570, Portland, OR 97223, phone (503) 213-3977, www.EpicLand.com. Firm representative is Casey Overcamp; alternate is Steve Fox. Epic is a full service right-of-way consulting firm whose purpose is to acquire and manage real property interests needed by clients to construct and maintain infrastructure facilities. The firm conducts right of way analysis, assesses impacts to properties, prepares right of way cost estimates and identifies hardship properties. The firm is knowledgeable in application of state, federal and local regulations related to real property.


David Evans and Associates, Inc. is pleased to announce that Gregg Weston is vice president of business development for transportation.

H.W Lochner, Inc. (Lochner) is pleased to announce the addition of Lynn N. Iaquinta, PE as Vice President and Oregon Branch Manager. Iaquinta will be responsible for providing leadership to support Lochner’s expansion in Oregon and the region. She has been working in the Pacific NW since 1999 primarily on projects utilizing alternative delivery methods including program management, design-build, and construction manager/general contractor (CM/GC).

Kittelson & Associates, Inc. (KAI), an international transportation planning, engineering and research firm, is happy to announce the official opening of its newest office in Anchorage, Alaska, on April 1. KAI has provided transportation engineering and planning services to Alaskan clients throughout its 25 year history. Senior Principal Gary Katsion is serving as office manager and is the point of contact for the Alaskan community.

Kleinfelder is pleased to announce that Jeanne Niemer, PE, GE has joined the firm’s Portland office as the new Geotechnical Group Manager. In her new role, Ms. Niemer will be responsible for business development, project management and leadership of the geotechnical group. She has 26 years of engineering and project management experience. Her areas of expertise include health care facilities, high-rise structures, commercial development and wind energy facilities, as well as slope stability and seismic design.

KPFF Consulting Engineers is celebrating their 50th anniversary this year. KPFF was founded by Albert Kelly in Seattle in 1960. Albert Kelly and Associates became Kelly, Pittelko, Fritz, and Forssen, then was renamed KPFF in 1976. Congratulations, KPFF!

Murray, Smith & Associates, Inc. (MSA) is celebrating their 30th anniversary. MSA, a full-service civil and environmental consulting engineering firm, was founded in 1980 by Harold “Hal” Murray and Phil Smith in Portland. The firm specializes in working with public agencies. Since its founding as a two-person firm, MSA has expanded its Pacific Northwest presence to five offices in three states and currently operates with a total staff of 74. MSA provides public infrastructure planning, design and project delivery in the fields of water, wastewater, stormwater and transportation. Congratulations, MSA!

Sparling’s Portland office has moved. They are now located at 733 SW Oak Street, Suite 200, Portland, OR 97205. Phone and fax numbers remain the same.
Coba’s Capitol Comments...
by ACEC Oregon lobbyist, Marshall Coba, CobaCo, LLC

The May 18 primary election features competing candidates in the Governor’s race in both major parties. Former Governor John Kitzhaber faces his longtime friend and ally Bill Bradbury for the Democratic nomination and Chris Dudley and Allen Alley compete for the Republican side. Kitzhaber, the expected winner of his primary, met with ACEC Oregon on May 7 at HDR in Portland to discuss issues of interest to our members and allow him to outline his vision for Oregon’s future. Thank you to HDR Engineering for hosting this event. A similar meeting will be scheduled with the Republican winner after the primary.

A handful of legislative primaries are being fought around the state with two in eastern Oregon noteworthy for the strong campaigns waged against the two incumbents. Rep. Bob Jenson (R-Pendleton) and Rep. Greg Smith (R-Heppner) both voted for the tax packages that resulted in Ballot Measures 67 and 68 that were passed by voters in January 2010. Without their votes the packages would not have been referred to the ballot. Both are taking heavy opposition from anti-tax activists in their districts.

State agencies are preparing their 2011-13 budgets with directions from the Governor’s office and Legislative Fiscal Office to cut 25 percent to help offset the $2.5 billion shortfall the state faces in the coming 2-year budget cycle. These cuts will not affect other funded agencies like ODOT (gas tax and fee supported) but could significantly impact general fund programs like education and prisons. As has happened during other downturns in the Oregon economy, the need for a sales tax has begun to creep into the campaigns of various candidates. With Oregon’s heavy dependence upon income tax revenue a sales tax would even out the down times. However, Oregon has voted down a sales tax proposal nine times as voters remain opposed to this major change in tax policy.

Pictured above at the Kitzhaber event on May 7, are, from left: Hermanus Steyn, Kittelson & Associates, Inc.; ACEC Oregon Vice President Dave Simmons, CH2M Hill; Jim Ruddell, Parsons Brinckerhoff; ACEC Oregon Secretary/Treasurer Kay Van Sickel, Mead & Hunt; Michael Downing, HDR Engineering; ACEC Oregon President-Elect Troy Bowers, Murray, Smith & Associates, Inc.: former governor and gubernatorial candidate John Kitzhaber; Greg Ausland, OBEC Consulting Engineers; ACEC Oregon Executive Director Alison Davis; Marcela Alcantar, Alcantar & Associates, LLC; Sue Laszlo, HDR Engineering; and Dan Heagerty, David Evans and Associates, Inc.

Thank You, ACEC Oregon PAC Donors!

A big thank you to Anderson-Perry & Associates, Inc. and Otak, Inc. for making recent contributions to ACEC Oregon’s Political Action Committee. (Donations received February 19 through April 27, 2010.)

The ACEC Oregon PAC remains one of the best and most certain ways to get a lawmaker’s attention. The PAC is very valuable in helping to create and strengthen relationships with legislators.

If your firm is not listed and would like to contribute, please contact ACEC Oregon at (503) 292-2348 or mwebber@acecOregon.org.
Focus on risk management...

Reducing the Chances of Third-party Claims

The following material is provided for informational purposes only. Before taking any action that could have legal or other important consequences, speak with a qualified professional who can provide guidance that considers your own unique circumstances.

According to leading professional liability insurance companies, clients file about two-thirds of all professional liability claims against design professionals. Given this, design firms need to be diligent when it comes to client selection. You want to avoid clients with a history of filing claims against their design consultants. Plus, you want a client who will agree to contracts that fairly and equitably allocate liability to the party that has the greatest degree of control over the various risks.

But what about the other one-third of liability claims – those filed by third parties not subject to the conditions of the consultant-client contract? The legal obligations that design firms have to third parties such as contractors, construction workers or building tenants can be difficult to ascertain.

Under the concept of “privity of contract,” design professionals owe a duty of care only to those with whom they have a contract. However, numerous court decisions have eroded this concept and today, you can be successfully sued by anyone who could be harmed as a result of your professional services whether you have a written contract with that party or not.

It Starts with Your Client Contract

So how can a design professional take actions to minimize third-party liabilities? What many architects and engineers don’t realize is how effectively the consultant-client contract – and the discussions that the negotiation process generates – can be used to reduce third-party claims.

For example, design firms can have substantial influence regarding the contractual language between their clients and their clients’ contractors – who happen to be the biggest source of third-party claims against design firms. You can discuss with your client how a number of contract provisions can lower exposures to contractor liability for the both of you. Explaining to clients how equitable contracts with your firm and with contractors and other third parties can lower exposures is a key to reducing the chances of claims associated with a project.

Following is a list of issues that should be addressed in order to lower liabilities from third-party claims. Discuss these with your legal counsel in advance of negotiating your next client contract.

Contractor Selection

When considering a new project, communicate to your client the importance of contractor selection. Offer your assistance in helping to select and educate the contractor in an effort to avoid project problems and disputes.

Contractor pre-qualification helps ensure that the selected contractor has the experience and credentials required to perform needed services for a particular project. Moreover, should a problem arise, a reputable contractor will be more likely to seek a quick and equitable resolution.

Pre-bid meetings can help ensure contractors’ questions are answered before work begins. You -- not your client -- are in the best position to answer questions about your designs. Pre-construction meetings can contribute to clear understanding between all contractors, subcontractors, consultants and subconsultants involved in the project.

Third-Party Exclusions

Third parties sometimes file claims because they think the contract provisions between you and your client apply to them. For this reason, some attorneys say it can be beneficial to include a third-party exclusion in your client contract. This exclusion should state that nothing in your agreement with your client creates a contractual relationship with a third party. It should also state that your services are being performed solely for the client’s benefit. It can be helpful to have similar language regarding your services included in the contracts between the client and its contractors, subcontractors, vendors and other parties to the project.

Note that a third-party exclusion cannot proscribe third-party claims. However, it can make it more difficult for third parties to take a claim forward and even tougher for them to win.

Third-Party Reliance

Third-party reliance on a research report prepared for a client is a well-known liability problem in the environmental field. It can also be a problem for design professionals. For example, you may evaluate the structural integrity of a building for a client, only to have the client sell the property using your report as part of the sales proposal. For that reason, your client contract should include a third-party-reliance provision that forbids any party other than the client to rely on your report, unless you give explicit permission for it to do so. Wording about third-party reliance should be included in any report you develop for a client.

To reduce your risk further, include a copy of your contract with your client as an appendix to any research report you produce. This will indicate specifically the scope of services you were hired to provide and the nature of the agreement between your firm and the client for whom the service was performed. Any limitations as to your liability for your work that are included in the client contract (such as the third-party-reliance provision) will then be made known to the third parties.

Construction Observation

You can help prevent third-party claims by delivering a full scope of services to your client. For example, construction observation services can greatly minimize jobsite liabilities. You can spot problems that contractors, subcontractors and other third parties may not see, and can deal with those issues at the “molehill” stage. The documentation that results from construction observation can also help discourage a contractor from filing a suit for damages due to design firm negligence or omissions.

If a client refuses your construction observation services, work with legal counsel to obtain contractual protection for claims that arise due to the lack of coordination or the lack of professional interpretation of the construction documents during the construction phase.

Shop Drawing Review

Unscrupulous contractors have been known to inordinate design consultants with shop drawings, causing a sharp slowdown in the review process and subsequent claims for delays. To avoid this, seek to limit your shop drawing responsibilities through appropriate contract language.

Identify shop drawings by type and define for the contractor exactly which ones you will review. Give the contractor a list of the submittals you will require prior to construction and have the contractor provide a schedule of submissions. Establish a logging, tracking and follow-up system for shop drawing and submittal processing. Insist on a clause in the general conditions of the construction contract that requires the contractor to provide you with written notice of any deviations from contract requirements. By following these steps, you can help prevent shop drawing review from becoming a profit center for those who intend to misuse the process.

Diminution of Value

Diminution of value can be a serious problem relative to conditions surveys of any type. When your client is considering property for purchase, your findings... (continued on page 7)
ACEC hosted its annual Consulting Congress Day April 27 and 28 in Washington, D.C. during the national Spring Convention. The conference brings together hundreds of engineers from around the country to meet with their legislators and discuss issues important to the engineering industry.

Pictured above in the Rayburn House Office Building following their visit with Congressman Earl Blumenauer are, from left: ACEC Oregon President Gayle Harley, OBEC Consulting Engineers; ACEC Oregon Vice President Marc Butorac, Kittleson & Associates, Inc.; ACEC National Vice Chair and ACEC Oregon Past President Ken Wightman, David Evans and Associates, Inc.; Congressman Earl Blumenauer; and ACEC Oregon President-Elect Troy Bowers, Murray, Smith & Associates, Inc.

ACEC Oregon Lobbies Capitol Hill During ACEC’s Spring Convention

ACEC Oregon Lobbies Capitol Hill During ACEC’s Spring Convention

ACEC Oregon Earns PAC Award

ACEC Oregon achieved our National PAC goal for 2009 and was awarded the honor during the ACEC National Spring Convention in Washington, D.C. The plaque reads, in part, “Outstanding Achievement Award to ACEC Oregon in recognition of attaining its 2009 ACEC/PAC goal and thereby enhancing the business environment of the engineering industry.”

RIGHT: Pictured from left are ACEC Oregon Immediate Past President and National Director Gregg Scholz, R & W Engineering, Inc.; ACEC Oregon Executive Director Alison Davis; ACEC Oregon Past President, ACEC Fellow and PAC Champion Jack Beemer, David Evans and Associates, Inc.; ACEC Chairman of the Board Tim Psomas; and ACEC Vice Chair and ACEC Oregon Past President Ken Wightman, David Evans and Associates, Inc.
Reducing the Chances of Third-party Claims (continued from page 5)

of a latent problem would cause the property to lose value or could delay the transaction.

Seek protection for this third-party exposure through an indemnification provided by your client. Your client can seek protection from the property owner by requiring the owner to agree to waive any claim brought about by a finding that makes the property less valuable.

Right of Entry

When your services include conditions surveys or forensic work, you need to ensure you have a legal right to enter onto property not owned by your client. Otherwise, you could be faced with trespassing charges or worse – such as a claim that your forensic evidence was gained through unlawful means. Be certain that the necessary permission is obtained, and that the property owner is advised that the work you do may result in property damage. The client should be responsible for liabilities associated with such activities.

Certifications

Various documents, such as those required by lenders, may ask design professionals to certify that certain conditions have been met. The word “certify” can easily be taken to mean guarantee – and to guarantee the existence of conditions whose existence cannot be verified is foolhardy. What’s more, most professional liability insurance policies do not cover claims resulting from such guarantees.

While it is impossible to certify conditions as fact, a design professional can give an opinion regarding conditions, e.g., that a building was constructed in compliance with drawings, specifications and applicable codes. Make sure you use appropriate language when asked by third parties to give certifications, and encourage your client to explain this issue to third parties who seek such certification.

Site Safety

Claims against design firms filed by injured contractors’ employees are among the most common of those claims not filed by clients or contractors. These injury claims arise because design professionals are among the few parties available to sue, given that:

1. Under workers compensation laws, employees generally cannot sue their employer for workplace accidents, and
2. Project owners typically have nothing to do with what happens at a jobsite.

Make it clear in your contract with your client that you are not responsible for site safety, or the means, methods, sequences and operations of construction. These functions are vested solely in the contractor or, where applicable, the construction manager. Call for the client’s agreement with the contractor to include a provision requiring the contractor to hold you and your client harmless for jobsite safety issues. The same provision could call for the contractor to make you and the owner additional insureds on the contractor’s general liability insurance.

The word “certify” can easily be taken to mean guarantee – and to guarantee the existence of conditions whose existence cannot be verified is foolhardy.

Equally important, do not take any actions on the jobsite that could be interpreted as taking responsibility for means and methods of construction. That includes never issuing a stop-work order except in extreme cases where a jobsite condition, such as a potential trench collapse, presents an immediate danger.

Condominiums

Condominiums are among the riskiest projects a design firm can get involved with, in terms of both claim frequency and severity. Third-party claims are especially prevalent. Each and every owner of a condominium unit – as well as the development’s homeowners’ association – can file a claim against you. Plaintiff attorneys are well aware of this fact and often seek out “wronged” condo associations as clients.

You can protect yourself by carefully scrutinizing the claims history of your client’s previous condo projects. You should also include a provision in your client contract requiring the client to include a maintenance agreement in the condominium’s bylaws. Such a clause would cause the condominium owners to waive any claims against the developer, consultants and contractors for failure of equipment or materials that are not properly maintained.

Client & Contractor Insurance Provisions

The risks of claims increase to you and your client if the contractor – and construction manager – do not have the requisite insurance and indemnity provisions. Be diligent about making sure your client requires that all parties to the construction project maintain adequate insurance. This can prevent you from becoming the targeted “deep pockets” in a third-party claim.

For more risk management articles go to www.acecoregon.org/riskManagement.php.

This article is provided by Morgan West, Kibble & Prentice, a USI Company, a member of the ACEC Oregon Risk Management Committee. Kibble & Prentice is a leading broker for the insurance needs of design professionals in the Northwest and specialize in risk management and loss prevention education services.

Pictured above during their Capitol Hill visit with Congressman Kurt Schrader are, from left, ACEC Oregon Executive Director Alison Davis; Jim Ruddell, Parsons Brinckerhoff; Congressman Kurt Schrader; ACEC Oregon President Gayle Harley, OBEC Consulting Engineers; ACEC Oregon Immediate Past President and National Director Gregg Scholz, R & W Engineering, Inc.; and ACEC Oregon President-Elect Troy Bowers, Murray, Smith & Associates, Inc.
UPSAavings Program

Save up to 30% on UPS shipping thanks to ACEC Oregon!

ACEC Oregon members can save up to 30% off UPS Express air and international shipments. That’s a significant savings over FedEx published rates!* All this with the peace of mind that comes from using the carrier that delivers outstanding reliability, greater speed, more service, and innovative technology. UPS guarantees delivery of more packages around the world than anyone, and delivers more packages overnight on time in the US than any other carrier, including FedEx. And UPS tools and services make greening your shipping easy!

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*See Rates and Services Chart for detail of Savings and Discounts, which depend on total weekly gross shipping charges incurred.