

ACEC INSIGHTS

AMERICAN COUNCIL OF ENGINEERING COMPANIES OF MASSACHUSETTS

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The New Tax Bill—A Win for ACEC

by Steve Hall, ACEC Vice-President of Government Affairs, and Katharine Mottley, ACEC Director of Tax & Regulatory Affairs

OVERVIEW

Passed at the end of 2017, the Tax Cuts and Jobs Act (HR 1) represents the first major overhaul of the federal tax code in over 30 years. ACEC's primary objective through the consideration of HR 1 was to achieve balanced tax reforms that would help both C corporations and passthrough firms (S corporations, partnerships and LLCs) to be more competitive in the marketplace at home and abroad.

Other objectives included protecting the ability of engineering firms to use cash accounting and protecting existing retirement and employee ownership mechanisms, such as ESOPs.

The law lowers the corporate tax rate from 35 to 21 percent, and creates a new 20 percent tax deduction for passthrough firms. The most significant challenge ACEC faced at the start of the tax reform process was the exclusion of engineering passthrough firms (together with other service-related industries, such as doctors and lawyers) from the proposed tax benefits in the House and Senate versions of HR 1.

In response to a major lobbying effort by ACEC—which included nearly 6,000 contacts

by Council members to lawmakers—the final version of the legislation allows engineering firms to fully utilize the new 20 percent deduction in the same manner as other non-service passthrough industries.

ACEC will continue to engage with Congress, the Department of Treasury, and the Internal Revenue Service as regulatory guidance is developed to implement HR 1.

KEY ELEMENTS IN HR 1

- Corporate tax rate drops from 35 to 21 percent (including personal services corporations).
- New 20 percent passthrough tax deduction on domestic qualified business income:
 - Passthrough owners with incomes below \$315,000 (married filing jointly)/\$157,500 (individual) can claim the 20 percent deduction without limitations. Those income thresholds phase out over \$100,000 (married filing jointly)/\$50,000 (individual), and are indexed for inflation.
 - Passthrough owners with incomes over those thresholds can claim the deduction subject to a limitation of 50% of W-2

wages, or 25% of W-2 wages plus a measure of capital investment (similar to how the Section 199 (9%) deduction is applied).

- Corporate alternative minimum tax (AMT) was repealed.
- Individual AMT is retained with increases in the exemption amount and phaseout threshold.
- The cash method of accounting was preserved; no changes to ESOPs.
- Individual deductibility of state and local taxes is limited to the first \$10,000 of property, income, or sales taxes.
- C corporations and passthrough firms can continue to deduct business state and local taxes if they are levied at the entity level (only eight states tax passthrough income at the entity level).
- Section 199 domestic production activities deduction was eliminated.

For additional information, contact Steve Hall, ACEC Vice-President of Government Affairs (shall@acec.org) or Katharine Mottley, ACEC Director of Tax & Regulatory Affairs (kmottley@acec.org).

President's Message

Mike Scipione, 2017–2018 ACEC/MA President



Happy New Year, Three Months In! 2017 is now just a memory. Although, as I speak with folks in our industry, especially those in our ACEC/MA community,

it seems for most to be a pretty good memory. The economy remained strong throughout the year and infrastructure continued to gain focus in the press as an important item for our country and the State of Massachusetts. I believe the general population has come to appreciate the need for good infrastructure to maintain a strong economy, provide opportunities and assure a good quality of life. I also believe it is (or at least becoming) understood

that it takes funding to maintain and expand necessary infrastructure.

So, let's look back at 2017 for just a little. On the national scene, the country inaugurated a new president—different and somewhat more controversial than those before him. There appears to be more turmoil or at least more noise, more changes in the administration, and more partisanship than in the recent past. Probably due to these factors, initiatives such as increased infrastructure spending have been slow to develop.

There was, however, a major tax bill passed at the end of 2017 that is intended to be great for

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President's Message

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business. Thanks to hard work and lobbying efforts, primarily from ACEC, portions of that tax law were changed to incorporate engineering firms that are pass-through tax entities, such as S-Corps and LLCs, to be entitled to lower taxes. This was a HUGE win for ACEC and a great help to many of our member firms. ACEC estimates that around 2/3 of our member firms would have been negatively impacted in a major way had this change not been enacted. This demonstrates the value of being a member of ACEC.

On a more local level, ACEC's various committees had a stellar year filled with accomplishments. In addition to programs like the State Markets Conference and the update by MASSDOT's new permanent Highway Administrator Johnathan Gulliver, ACEC/MA held many committee meetings and forums with speakers who provided valuable insight and lessons for our members. We also had very successful leadership development programs including Genesis, Emerging Leaders, Odyssey and Everest. Our leadership development programs always get great grades and are one of the most recognized benefits of our organization.

In speaking with firms over the past 6 months or so, it has become apparent that many do not realize the areas of business we cover with our committees.

Did you know about all these committees?

- [Accounting and Finance Forum](#)
- [Awards Committee: EEA and more](#)
- [Building Engineering Committee \(BEC\)](#)
- [Communications Committee/Newsletter Board of Editors](#)
- [Energy and Environmental Affairs Committee \(EEAC\)](#)
- [Fellows Committee](#)
- [Government Affairs Committee \(GAC\)](#)
- [Health and Safety Forum](#)
- [Human Resources Forum](#)
- [Information Systems](#)
- [Leadership Education Committee \(LEC\)](#)
- [Membership Committee](#)
- [Private Sector Committee \(PSC\)](#)
- [Program Committee](#)
- [Qualifications Based Selection \(QBS\) Committee](#)

- [Risk Management Forum](#)
- [Transportation Agencies Liaison Committee \(TALC\)](#)

ACEC is most valuable when people are involved. Could your firm get more value by having some of your people more involved and taking advantage of the knowledge we offer?

This new year has started off promising, with a strong economy and some momentum behind the infrastructure spending bill. We will remain very active locally, with the Emerging Leaders and Genesis leadership development programs that started up in February, and the [State Market's Conference](#) quickly approaching on Thursday, April 5, 2018. We will also continue offering monthly committee meetings/forums to our members.

And... we will celebrate our great work together!

This includes celebrating this year's outstanding engineering achievements at our ACEC/MA 2018 Engineering Excellence and Awards Gala on Wednesday, March 14, 2018 at the Royal Sonesta Hotel, Cambridge. Last year ACEC/MA honored 35 outstanding engineering projects and several leaders. This year's event promises to be even better.

I also encourage you to attend the 2018 ACEC National Convention in Washington, D.C., April 15–18. This year's convention speakers will include the leaders of some of the nation's largest design firms, who will discuss the opportunities and challenges for the engineering industry under the new Administration and Congress. [Click here](#) for more information on this great event. You can learn so much politically, while helping to support ACEC/MA positions on issues of interest to member firms' success, including infrastructure funding, fair business practices and regulatory reform. While in D.C., you can also join our Massachusetts Congressional delegation to advocate for infrastructure funding for transportation, energy and water. This year's delegation will be led by ACEC/MA President-Elect Michael Walsh.

I hope you have had a great start to 2018 and that the year is good to you. Governor Baker has stated that his plans for this year include taking new steps to fight climate change, promote renewable energy and respond to the transportation needs of the state. These should be good for our businesses!

Breaking Bad and the Case for Internal Controls

by Ed Musmon, Founder and Principal of Financial Management Consulting



A friend recently got me hooked on *Breaking Bad*, which for those who haven't seen it, is a captivating TV series and a guilty pleasure. I had managed to avoid watching it for years, but once I got started, I was not able to turn it off. As I watched it, it got me thinking.

What leads someone to go from being a good guy to a bad guy? The main character, Walter White, is a high school chemistry teacher. He is a beloved figure, like many of our favorites. He has a love of his subject and a real passion for it. A family man leading a life along the straight and narrow, he is seemingly happy and content with his modest life.

Suddenly he discovers that he has lung cancer and has less than a year to live. What happens next is played out extraordinarily well. We see our well-loved good guy break bad. Over the course of five seasons, the series gets widespread acclaim, and Bryan Cranston wins awards for his performance as Walter. As the story develops, we get to peer into Walter's thought process as he thinks through his choices and justifies his actions.

Breaking Bad, like many crime dramas, takes us inside the commission of a crime and the mystery that goes with it. For most of the series, Walter manages to remain unknown and undiscovered, even amongst the investigators. He is invisible in plain sight. As we watch, we keep wondering whether he will revert to the good guy or whether he will be trapped.

Okay, Ed, I get it...it's a great series, but what does that have to do with Internal Controls and why should I care? Those are the right questions: Hang on, I am getting to it!

Internal Controls are financial/business systems and processes designed and implemented to protect our institutions from a variety of risks including theft, fraud, reputational risk and even our ability to continue. As it turns out, the TV series provides us a window into human behavior and the circumstances that Internal Controls are intended to understand, guard against and overcome.

Before starting Financial Management Consulting, I spent my career as an Auditor, Ethics Investigator, Sarbanes Consultant, Controller and CFO at various organizations large and small. In these roles, I performed within the respective Internal Control system, witnessed circumstances when things went wrong and

worked to improve organizational Internal Controls. This article is intended to remind us to consider our Internal Controls environment, the risks we face, and tools in our toolbox.

Let's face it: Breaking bad in business often occurs when good folks (not just bad guys) do bad things. Fraud and theft (they aren't necessarily the same) can and do happen in many cases when good folks make bad decisions or bad choices. Situations of robbery and fraud can directly impact an organization's ability to survive and in some instances, can cause the organization to collapse.

Anyone who has been a party to a financial audit knows that management, not the auditors, are responsible for the financials, results and audit environment. Auditors expressly exclude responsibility for detection and prevention of theft, fraud or misrepresentation and place it back on the management and indirectly on the board of directors (if there is one).

Let's take a look at what happened with Walter.

He realized he didn't have the means to care for his family after his death. So, his thinking turned to **money** and how he would (as a high school teacher with limited means) provide for his family's financial future. Now under pressure, he started searching for **opportunities** to help with his predicament. Through his brother-in-law (a leading DEA agent), he was exposed to growing demand and activity around methamphetamine, and as a chemist, he had access to the tools and the **knowledge** to produce it.

Then we see his rationalization. Walter perceived this type of crime as a **victimless crime**. Other people were making it, and he was only going to put bad guys out of business by providing a superior product. What about his risk? He didn't perceive a significant risk and was confident his crime would be **undetected**. After all, no one was watching him, and no one would suspect him. Additionally, he had unique insights into the investigations (or controls), so he could strategize on how to avoid detection. He was highly respected, and his history of good deeds meant he was **trusted**. So, while there was a risk, the perceived threat was low, relative to the need opportunity. Of course, we quickly realize there is a **slippery slope**. Once started, the crime takes on a life of its own and the opportunity to stop or reverse direction becomes increasingly difficult.

I would add to these factors, **intelligence** and **ego**. In many cases, it takes an astute person to see the control weaknesses that allow for a crime. In the case of Walter White, the ability to out-think his rivals and his crime-fighting opponents fed his ego, leading and pushing him forward.

So, we now know that criminal behavior can occur when good folks, driven by a personal need, can turn to a crime of opportunity. An opportunity is where the perceived risk of getting caught is low, and the perpetrators have unique knowledge and access to an Internal Control weakness (es). Our job is to reduce the opportunities (i.e., increase prevention) and to increase the likelihood of being caught (i.e., increase detection).

What are the Types of Crimes?

Fraud might not necessarily translate into direct personal enrichment, while theft typically does. Both are serious crimes with significant potential negative consequences. For example, fraud might involve violating a contract for the benefit of your company. Even though it doesn't directly enrich those involved in the fraud, it does present a serious risk to one's ability to do business with governments or other clients. Of course, there are substantial and serious penalties. Theft might involve taking kickbacks on purchasing or stealing funds by making undetected disbursements to oneself. These crimes can ruin an organization's reputation and put one out of business.

What is the Internal Control Environment?

The Internal Control environment as has many facets and provides a layered approach to reducing risk. It is not possible or economically feasible to eliminate all risks, but there are steps to reduce your risk. Critical components and approaches to Internal Controls include:

- 1) **Tone at the top:** Leadership or ownership provide the proper behavior examples.
- 2) **Policies & procedures:** Clearly defined processes with associated responsibilities
- 3) **Good hiring practices:** Proper vetting and hiring the right level of staff with the prerequisite skills
- 4) **Adequate oversight:** Proper levels of authority
- 5) **Segregation of duties:** Separation of approvals from disbursement authority, separation of cash collection and record keeping

Where Many Mergers Fail, This One Didn't. Here's Why.

By Rich Friedman, President of Friedman & Partners



Mergers and acquisitions are currently on the upswing in the A/E/C industry, and that activity shows no signs of slowing down any time soon. But just because it's happening *more* doesn't mean it's happening *successfully*.

Depending on whose statistics you follow, the failure rate of mergers and acquisitions as a whole ranges from 70% to 90%, and the A/E/C industry is no different. There is no magic formula for success, but there are factors that will enhance your chances. In this article, we talked to two firm leaders about their successful merger—and the lessons they learned from doing it right (and from an acquisition that didn't fare as well).

Know Your Potential Match

While some firms go through extensive searches to find the right partner, Willy Stewart, P.E., and George Stanziale, Jr., ASLA, CLARB, of the 200-person engineering, planning and landscape architecture firm Stewart (Raleigh, NC) have known each other personally and professionally since the late 1980s. Their kids played soccer together, and due to their firms' similar clientele, had worked together on projects throughout North Carolina's Triangle area for years.

"We teamed together intentionally for projects and our clients also teamed us together," says Stanziale, whose landscape architecture firm HadenStanziale was 50 people at its largest incarnation. Stewart Engineering was 130 people strong at its peak. Both firms were growing their reputations when the recession hit. While they weathered that storm by reducing size and focusing on a diverse mix of clients, the experience spurred talks about what they could achieve if they joined forces. Stanziale felt business needed to be done differently post-recession and the diversity of a multidisciplinary approach made sense.



Willy Stewart, PE

As well as working in similar markets, the two firms had complementary staff. HadenStanziale was focused in high-level landscape architecture and urban design with engineering support and Stewart was focused on civil and structural engineering with landscape design support. The synergies made it clear that they could expand their reach and capacity as a combined firm.

Does 1+1 = 3?

Today, assessing compatibility, creating client value and building new opportunities is more important in mergers than ever before. In crafting a successful marriage, these factors can even outweigh financial considerations. For Stewart, the real value came from redefining what a combined firm could look like and building a culture to support that vision.

"So many mergers just aggregate more people to the same services," says Stewart. "They focus on streamlining overheads to reduce cost. We knew that by coming together, we would be offering something different to our market."

Instead of an engineering-led firm with landscape architects on board, where separate groups talk when they need to, they envisioned



George Stanziale, PLA, ASLA, CLARB

a firm where both professions were in equal leadership roles and where design, not discipline, was the focus.

"Design thinking is design thinking, no matter the discipline," says Stanziale. "We wanted to create a group where engineers and landscape architects sat together, led projects together and cross-collaborated in every way. We wanted to deliver creative solutions that are both aesthetically pleasing and practically engineered— high-level design and high-level engineering."

That group, now called Land Planning & Design, is the firm's largest and has proved to be a differentiator that attracts both clients and new talent.

In many cases, civil firms with landscape architecture positions are not focused on landscape-architecture and design thinking, says Stanziale. "High-level designers are less interested in working in that kind of firm, but we have created a culture of design thinking across all disciplines, and as a result, we're attracting designers who are at the top of their class."

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The Aldrich Center—where history and technology meet on Beacon Hill...



Two blocks from the State House and overlooking Boston Common, the newly refurbished Aldrich Center is the perfect venue for your next event. This historic building accommodates private functions, business meetings, and receptions for up to 75.

For information or reservations, contact Rich Keenan, Aldrich Center Manager at 617/305-4110 or rkeenan@engineers.org

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UPCOMING ISSUES OF *INSIGHTS*

Insights is published four times a year—fall, winter, spring and summer. Watch for our Spring issue in which we continue to focus on regulations, technology and other impacts to our industry. If you would like to contribute an article to *Insights* or have ideas for new topics, please contact Allison Hopkins at allison.hopkins@tetrattech.com or Debbie Whitney at DebbieWhitney@tighebond.com.

A Road to Somewhere

by *Monica Tibbits-Nutt, AICP, LEED AP BD C, Executive Director, 128 Business Council*



In the course of my career, I have been asked many times why I became a transportation planner. And I've given all sorts of answers. I love SimCity. I want to transform my built environment. But, until this past election season, I have never really pushed myself to answer honestly.

I'm from an extremely rural community in the Midwest. Where I come from, most people don't go to college. Some finish high school. (My father did not.) Most people work in factories (including my mom and my dad). To say that it's not a very diverse place would be an understatement.

It was profoundly important to my mom that I get a good education. I could have traveled just 15 minutes to the local school, but would have walked through metal detectors to get to class. Instead, my mom put me on a bus for more than an hour every morning to reach a beautiful campus with all the books I could read and teachers who really wanted to teach—and who were given the resources they needed to do so.

Not everything about this choice was idyllic, though. I got on the bus before the sun came up

and was bullied as the wheels went round and round for having the wrong hair and the wrong clothes. (You can't buy the "right" clothes at Goodwill.) When I got off the bus my very first day, one kid called me a hateful racial slur. I didn't know what it meant, beyond the fact that I was different. On the ride home, I would sometimes see the Ku Klux Klan handing out fliers to passing motorists. Despite everything, my mom kept putting me on that bus.

I rode the bus to school for 10 years. Now I know that someone planned its route very intentionally. Some transportation planner designed that bus route, hoping to reach kids who otherwise left school after eighth grade to work on farms or in factories. Some transportation planner hoped to change a few kids' lives.

Of course, a bus can't fix everything. It can't keep kids from hearing things they shouldn't have to hear. (My chemistry teacher at parent-teacher conferences: "She's the dumbest student I've taught in 40 years of teaching." My advanced English teacher, while discussing *Fantastic Voyage*: "Guys, how do you know that the nurse is black? Because she's picking cotton out of the patient's ear.")

But that bus did change my life. It gave me access to resources, books, and lectures otherwise reserved for much wealthier students. It put me on the road—literally—to becoming the first in my family to attend college and then graduate school. That bus gave me a route out.

Good transportation design is about access—to better educational and employment opportunities, to a better life. As transportation planners, we have the power to open up whole new worlds to our communities, even if we can't make those worlds as kind or just as our communities deserve.

We can argue about different cost-savings approaches, competing definitions of innovation, or our various politicized projects, but we cannot forget that we are in the business of access. Now, more than ever, we have to hold ourselves accountable to the lofty goal of fighting for equity of access. The communities on whose behalf we work need to hold us accountable. I hope it's why we do this. It's definitely why I do.

Monica G. Tibbits-Nutt, a transportation planner and urban designer is the Executive Director at the 128 Business Council. She can be reached at 781/890-0093 ext 5, or mtibbits@128bc.org.

WRITING TIP: WHEN TO USE "WHICH" VERSUS "THAT"

The words "which" and "that" are used at beginning of clauses. If the clause can be removed from the sentence without changing its meaning, use "which." Otherwise use "that."

EXAMPLES:

1. My proposal, which includes the revised scope, is on your desk.
2. My proposal that includes the revised scope is on your desk

In the first sentence, the clause "which includes the revised scope" is used to describe "one" proposal. This clause could be removed without changing the meaning. In the second sentence, it is understood that there are many proposals, but the one with the revised scope is on your desk. The clause "that includes the revised scope" cannot be removed without changing the meaning of the sentence.

Breaking Bad and the Case for Internal Controls

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In addition to the above, I have identified ten additional critical components and approaches. If this issue resonates with you and you are interested in more information, my contact information is below.

What are the Lessons Learned?

- 1) Good people go bad.
- 2) You (leadership/management) are responsible for your Internal Controls/Risk Management.
- 3) Bad can mean a variety of things:

- a. contract fraud;
- b. purchasing kick-backs; and
- c. theft (misuse of funds or misdirected payments).

- 4) The consequences can be severe including:
 - a. financial loss;
 - b. reputational loss; and
 - c. potential organizational failure.

We also learned that awareness of the risk and attention to your control environment could reduce your chances of having your own

Breaking Bad situation. As you can see, there are many elements to address, and the effort to protect yourself takes time, your commitment, and in some cases, an investment. As the adage goes, *an ounce of prevention is worth a pound of cure.*

I hope you found this article thought-provoking. If you would like assistance addressing these needs, please contact me at EdMusmon@iNeedaCFO.com or 617/515-3942 or visit me at www.iNeedaCFO.com. When registering on my website, please let me know if you want to be on my mailing list for future Thought Pieces.

Where Many Mergers Fail, This One Didn't. Here's Why.

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Setting the Foundation

With a vision of the possibilities ahead, Stewart and Stanziale pulled together their second-level managers and tasked them with identifying best practices from each firm in areas ranging from project management and technology to marketing and physical workspaces and even the name itself. The intense three-month study process, with weekly presentations, was completed before any paperwork, beyond a memorandum of understanding, was signed.

Two managers in Human Resources also spearheaded the launch of Stewart University, an internal online training program to help employees better understand each of the firm's disciplines and how they are integrated. Monthly staff meetings reinforce this integration by identifying which disciplines are working together on current projects. A new brand and the tagline *Stronger by Design* was developed to communicate the vision for the new collaborative, design-focused organization. "We completely re-branded the firm in every way" says Stanziale.

So much advance work was done—and with input from personnel in both firms—that when the merger and rebranding were complete in 2012, it nearly felt seamless, say both leaders.

Successes and Challenges

In its first five years as a combined organization, Stewart has seen remarkable growth. They've also had major wins, which they credit to their collaborative, design-focused culture and the credibility that comes with being a larger firm with a stronger portfolio. Staff count has grown

from 105 employees to now over 200. Share value has doubled. There are new service groups, such as Global Sports & Events Planning, and the firm recently beat a larger global firm to land a high-profile contract to master plan the overlay facilities for national PGA golf tournaments.

Yet no merger is without its challenges. There were organizational shifts in the Charlotte office, and it took time to carve out the right roles for HadenStanziale's senior leaders. Currently, Stewart is CEO and Stanziale serves as President and Director of Design.

"We needed to look at leadership of the smaller firm coming in and where they would fit into the larger leadership," says Stanziale. "We did not do as well as we could have in understanding how we could take advantage of our capabilities."

Shortly after the merger, an unexpected professional liability situation arose, presenting a challenge to the newly formed leadership team. Today, with that issue mostly behind them, the team has become tight-knit, says Stewart. They prioritize trust, collaboration and continual professional growth, including participating in an intensive 12-month leadership program together.

But the biggest challenge—and the greatest lessons—came from the newly merged firm's attempt to geographically expand through a small acquisition in 2015. While the business drivers for such a move may have been clear—expanding into a new region, adding capacity and opening up a new client market—there

were other critical factors to weigh, says Stewart. In this case, the smaller firm was not culturally prepared for the systems, regulations and processes that come with a larger entity. After an unsuccessful trial period, Stewart sold the company back.

"Mergers are emotional and they are complex," says Stewart. "There has to be a clear understanding and embracing at the top of both firms. You both have to know why you are doing it. It takes total commitment from the top. If you get those components on the table before anything is signed, you have a better chance of succeeding. This one was a cultural misfit."

What's next for Stewart? Geographic expansion makes sense for a firm that is already a regional player, says Stanziale. But their successes—and misses—have shown that intentional, organic growth is the formula that's made them successful thus far, and what will continue to drive their firm and its culture into the future.

"We're in small markets, but they are high-growth markets, so we are looking at how we can take what we offer out to the marketplace," says Stewart. "But we let the leaders of our groups manage and grow very entrepreneurially. It is never going to be growth for growth's sake."

Rich Friedman is Founder and President of Friedman & Partners, a marketing and management consultancy that helps A/E/C and environmental consulting firms craft and implement successful growth strategies. You can reach Rich at rich@friedmanpartners.com or 508/ 276-1101.

What Has ACEC/MA Done For You Lately?

Winter 2018

With the support of our member firms, ACEC/MA works hard to protect and promote your business in a variety of ways. In addition to our robust programs, here is an account of our recent actions.

MASSACHUSETTS AGENCIES

- ACEC/MA's Building Engineering Committee (BEC) held recent meetings with the Designer Selection Board's leadership to better understand their focus on design firm proposals for state work. The BEC also met with the Chief of Inspections, Building & Engineering of the Division of Professional Licensure's Office of Public Safety and Inspections, to learn about the agency's role and new construction control documents.
- ACEC/MA's Transportation Agency Liaison Committee (TALC) partnering groups meet with MassDOT Highway, MBTA and Massport on a range of issues to help agencies streamline project delivery. TALC hosted key agency leaders over the past few months to discuss issues such as cost estimating, invoicing, developing MBTA project scopes of work and quality assurance.
- Our ACEC/MA DCAMM Partnering Committee continues to meet with the Division of Capital Asset Maintenance and Management (DCAMM) Deputy Commissioners and key staff on contract issues and design specifications.
- Recent client sector ACEC/MA Member Briefings with key public agency leaders include ACEC/MA's Energy and Environmental Affairs Committee (EEAC) briefing with procurement leaders from the state's Operational Services Division (OSD) and the Department of Conservation and Recreation (DCR) to discuss the new statewide contract for engineering services

LEGISLATIVE AND REGULATORY

- ACEC/MA continues to co-chair the Water Infrastructure Alliance, a broad-based group of business, industry, government and environmental organizations focused on the needs for more funding for water, sewer and stormwater management infrastructure.
- ACEC/MA is advocating for House Bill 1813, An Act relative to public safety in excavation and recently testified in support of water infrastructure funding at the late October hearing of Joint Committee on the Environment, Natural Resources and Agriculture.
- We continue to advocate for changes to draft regulations proposed by the Board of Registration of Architects to prevent promulgation of regulations that would adversely impact A&E firms.
- Through TECET, The Engineering Center Education Trust, ACEC/MA participates in meetings of the Board of Registration of Professional Engineers and Professional Land Surveyors, which voted in January to move forward with plans to promulgate mandatory continuing education regulations.
- ACEC/MA continues to support or oppose Massachusetts Senate and House bills that affect our industry.

PROFESSIONAL PRACTICE

- Registration was sold out for ACEC/MA's 2018 Genesis Program, a leadership education program for new professionals, and our 2018 Emerging Leaders Program, which started in late February 2018.
- We held a Transportation Update breakfast program with MassDOT Highway Administrator Jonathan Gulliver, who expressed interest in removing the salary cap. A Transportation Roundtable for Small Firms was also held to discuss their challenges and concerns with state work.
- Plans are underway for our State Markets Conference on April 15, and our Engineering Excellence Awards Gala is on March 14. Registration is now open for our Spring Effective Writing Program on April 25.
- Recent Member Briefings, open to all employees of ACEC/MA Member Firms, included a Human Resources Forum on Business Related Immigration Issues, an IS Forum on LiDAR, Video, and Data Storage, and an HR Forum on Landing Your Next Strategic Hire.

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ACEC/MA NEWS AND NOTES

Climate Adaptation and Liability: A Legal Primer and Workshop Summary Report

With input from ACEC/MA leaders, the Conservation Law Foundation has published a [new report](#). The report looks at the theories of legal liability for design professionals or government entities, such as a municipality or water reclamation district when it comes to climate adaptation of buildings, roads, and other critical infrastructure.

ACEC/MA Government Affairs News

February 7, 2018 was Joint Rule 10 Day in the Legislature. This rule requires all joint House and Senate committees to issue a final report on all bills referred to them by February 7, 2018 for this session. With some exceptions, it's the day all bills either die or move forward in the legislative process. Some bills we care about received extension orders, giving us more time to work on bills we support. Following are updates on certain bills of interest to ACEC/MA's Government Affairs Committee

We Support:

[HB 1813—An Act Relative to Public Safety in Excavation](#). Sponsor: Rep. Claire D. Cronin (D-Easton)

- This bill Amends provisions relative to excavations under GL 82; classifies municipal signal traffic departments as companies subject to excavation laws; requires professional land surveyors, as defined, to premark any proposed excavation for a new facility or renovation; requires premarkings for underground facilities projects to, when possible, indicate a width greater than 2 inches, the material of the underground facility, the existence of any ducts and a change in direction; permits the department of public utilities to assign companies who fail to comply with excavation requirement to complete "Dig Safe" training in lieu of paying a fine for a first offense.
- On March 2, 2018, HB1813 was reported out favorably by the Joint Committee on Transportation. This is a step forward with more work to be done
- A separate bill, HB3388—An Act relative to improving public safety in excavation, filed by UCANE was reported favorably by the Joint Committee on Telecommunication, Utilities and Energy. We will be meeting with UCANE and legislators about the two bills in the next few weeks.

Members of the Joint Committee on Transportation

- **Action Requested:** Contact your State Rep and State Senator, [based on where you live and vote](#) and ask them to contact the Joint Committee on Transportation to support HB1813 and report it out favorably from the committee.
- [SB 472, An Act providing for the establishment of a comprehensive adaptation management plan in response to climate change](#). This bill was passed by the Senate in November 2017, and is now in the House Ways and Means Committee. We expect this C.A.M.P. language to be included in an Omnibus energy bill the Senate filed on Monday, February 12.

Members of the House Ways and Means Committee

- **Action Requested:** Contact your State Rep, [based on where you live and vote](#) and ask her/him to contact the House Ways and Means Committee to support SB472 and move it to the House floor to pass it.
- [HB 1317, An Act Establishing a Building Code Coordinating Council](#). This bill was reported favorably from the Joint Committee on Public Safety and Homeland Security and has been sent to the House Committee on Ways and Means. We'll update members on this bill soon.

We Oppose:

[SB 1750, An Act relative to protecting the taxpayers of the Commonwealth](#)

This bill was placed into a study, so we expect no further action on this bill. [Click here](#) for background on this bill.

Other Bills of Interest:

[SB 81, An Act promoting housing and sustainable development](#) and [HB 2420 An Act building for the future of the Commonwealth](#).

Zoning reform bills HB 2420 and SB81 received extensions from the Municipalities Committee with a new reporting deadline of March 7. SB 81 was recently moved to Joint Committee on Municipalities. These bills are also known as Great Neighborhoods legislation. You can learn more about them at the [Great Neighborhoods Campaign](#).

[SB 1821, An act combatting climate change \(Carbon fee bill\)](#).

This bill was referred to the Senate Committee on Global Warming and Climate Change;

language on this bill was included in the omnibus energy bill that the Senate filed on 2/12/18.

Save the Date

[May 15: Engineers and Land Surveyors Day at the State House + Water Infrastructure Awareness Day](#)

Zoom Into ACEC/MA from Your Office or Desktop

Did you know that many ACEC/MA Committees and Forums meet both in person and by Zoom, enabling members to see and hear other participants? Receive updates on our committees' and forums' activities and news that will help your professional practice and the business issues facing your team. Many of our November and December Forums will use Zoom. Check our events on www.acecma.org and then:

Join an ACEC/MA Forum or Committee

ACEC/MA Committees recommend legislation in Massachusetts, brief you on public policy issues, provide leadership education and guidance and oversee the performance of ACEC/MA programs. [Sign up here](#) to receive email updates on how to attend in person or by Zoom from your office. (Note: TALC [Transportation Agencies Liaison Committee] does not hold its monthly meetings on Zoom, due to the meeting size.

Massachusetts Board of Registration of Professional Engineers and Professional Land Surveyors

ACEC/MA supports implementing Mandatory Continuing Education for PE and PLS License renewal. Here are recent actions of the Board of Registration on this issue.

- Massachusetts Board of Registration of PEs and PLSs Votes for Continuing Professional Competency.
- August 17, 2017 Meeting. Motion passed by a 5 to 3 vote, with one board member recused (ineligible to vote and out of room) and another board member arriving at the meeting after the vote.
- January 25, 2018 Meeting. Motion on edited draft from November 6, 2017 passed 7 to 2 to move the regulations forward through several steps, with a future public hearing
- In 250 CMR, the relevant sections are 2.09, 5.02 and 7.02.

ACEC/MA NEWS AND NOTES *(continued from page 8)*

- Proposed: 18 PDHs every two years to maintain theoretical, technological and business proficiency for one's scope of practice, unless exempt under 5.10(7).
- Programs or activities that satisfy the Board's continuing education requirements are those that:
 - Increase the Engineer's knowledge and understanding of technical or professional subjects as defined by the "Practice of Engineering" per MGL c.112, §81D and contributes directly to improving his or her proficiency in the practice of Engineering.
 - Increase the Surveyor's knowledge and understanding of technical or professional subjects as defined by the "Practice of Land Surveying" per MGL c.112, §81D and contributes directly to improving his or her proficiency in the practice of Surveying.
 - Improves the Registrant's knowledge or understanding of ethics or managerial (business) practices associated with the Registrant's practice.
 - No audit requirement in current draft regulations. Uncertain how DPL will handle this as regulations are reviewed.

Additional steps on continuing professional competency regulations:

- Legal review by Board's Legal Counsel, Sheila York—small business impacts
- Review by DPL Director Chuck Borstel
- Review by office of John Chapman, Undersecretary, Consumer Protection and Business Regulation

- Review by office of Jay Ash, Sec, Executive Office of Housing and Economic Development
- Review by office of Michael Heffernan, Secretary, Executive Office of Administration and Finance—review of small business impacts
- Review by the office of Secretary of State Bill Galvin for technical and formatting issues including DPL filed review on small business impacts
- Return to Board of Registration, which would then hold a public hearing and accept public written comments on the regulations after 30 days' notice.
- The Board of Registration considers comments received and votes to modify or adopt.
- Then, if no issues, Regulations would be promulgated by the Secretary of State's office—usually within three months.

The reality is that 2018 is a major election year in Massachusetts. The steps outlined will take some time. Here is the draft schedule of future meetings of the Board of Registration of Professional Engineering and Professional Land Surveyors:

- March 22
- April 26
- May 24
- June 21
- August 23
- September 27
- October 25
- November 15
- December 20

New Members on the Board of Registration

Joyce Hastings, PLS has been appointed a PLS member of the Board of Registration and attended her first board meeting on 12/21/17, replacing Scott Cameron, PLS, a former MALSCE President. We thank Scott for his years of service on the Board of Registration on behalf of the profession and the public.

Joanne Linowes has been appointed the Public member of the Board of Registration and attended her first board meeting as a board member on 10/26/17, replacing Ed Englander. We thank Ed for his service on the Board of Registration on behalf of the public.

Erin Joyce, PE has been appointed as the PE Civil member of the Board of Registration and attended her first board meeting on 1/25/18, replacing Joel Goodmonson, PE, a former ACEC/MA President and the Senior Vice Chair on the ACEC National Board. We thank Joel for his years of service on the Board of Registration on behalf of the profession and the public.

Azu Etoniru, PE, PLS has been appointed a PLS member of the Board of Registration and attended her first board meeting on 2/15/18, replacing Peter Hale, PLS, a former MALSCE President. We thank Scott for his years of service on the Board of Registration on behalf of the profession and the public.

Join an ACEC National Committee

ACEC National committees recommend legislation, provide guidance and oversee the performance of ACEC programs. [Sign up here.](#)

NEW MEMBERS

Full Members:

Milone & MacBroom, Inc.

1350 Main Street, Suite 1012

Springfield, MA 01103

413/241-6920

www.miloneandmacbroom.com

Firm Representative: Mark Arigoni

Milone & MacBroom offers collaborative specialty practices in engineering, landscape architecture, planning, and environmental science to private clients, municipalities, and state agencies since 1984. Our diverse offerings include civil engineering, municipal planning, site design, survey, traffic engineering, structural design, geotechnical, flood

mitigation, wetland biology, and remediation and hazardous assessment services.

Affiliate Members:

K5 Consulting LLC

4 Rogers Way

North Attleboro, MA 02760

508/216-4954

Firm Representative: Sheryl Kretzer

K5 Consulting LLC (K5) has over 17 years of experience working with architectural, engineering, environmental, and construction firms with federal, state, and commercial based clients. Being versed in the requirements of project-based accounting, systems, and compliance with

federal acquisition regulations; K5 is eager to provide professional services far beyond the accounting department.

RND Consultants

933 Webster St., 2nd Floor

Marshfield, MA 02050

617/816-9836

Firm Representative: Janice M. Bergeron

RND Consultants, Inc.'s key service areas include:

- Real Estate Acquisitions and Relocations
- Third Party/Stakeholder Coordination
- Program Management
- Construction Management
- Engineering Reviews

UPCOMING EVENTS – SAVE THE DATE

ACEC/MA State Markets 2018

Thursday April 5, 2018

Massachusetts Hospital Association, Burlington, MA

[Click for more information](#)

MassDOT 2018 Innovation & Tech Transfer Exchange

April 10 and 11, 2018

DCU Center, Worcester, MA

[Click for more information](#)

ACEC National 2018 Annual Convention and Legislative Summit

April 15 – 18, 2018

Marriott Wardman Park, Washington, D.C.

[Click for more information](#)

ACEC/MA Effective Writing

Wednesday, April 25, 2018

GEI Consultants, Inc., 400 Unicorn Park Drive, Woburn, MA

SOLD OUT

Engineers & Land Surveyors Day + Water's Worth it Day

Tuesday, May 15, 2018, 9 AM – 11:145 AM

Water's Worth It Day is 11:45 AM – 1:30 PM

Great Hall, Massachusetts State House, Boston, MA

[Click for more information](#)

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