THE BUSINESS OF ENGINEERING IN PENNSYLVANIA

The following items have been identified by ACEC/PA Member Firms as key challenges to doing business in Pennsylvania:

FEDERAL ACQUISITION REGULATIONS (FAR) - The Department of Transportation is developing their own specific guidelines or “second cap” on allowable total compensation. The methods used by the Department to determine the reasonableness of compensation should be consistent with those used by Federal contracting officers (DCAA) under the Federal Acquisition Regulations (FAR), and follow the cognizant agency guidelines established by the AASHTO Uniform Audit and Accounting Guide, September 2009. By not adopting the same standards the Department, provides an incentive for firms to relocate their headquarters to other states, which adversely affects job creation/retention in Pennsylvania.

TIMELY AUDITS - The resources of engineering firms are severely strained when audits are delayed; small firms are particularly hard hit. Audits should be prioritized and conducted within 18 months.

EXPEDITING CONTRACTS & SUPPLEMENTS - The Department of Transportation and similar agencies should develop systems to execute contracts in a timely manner. We are pleased that the Governor has committed to streamlining the process necessary to contract with the State and those initiatives such as “Enhanced Selection” are underway. Another such tool is Mutual Gains Negotiations and the Staff Hour Estimating Guide currently under development. This process should be implemented without delay. Additionally, design profit factors which are currently linked to overhead caps must be re-evaluated to provide fair and reasonable profit earnings. We urge that more emphasis be placed on streamlining and consideration of other these tools which would provide the authority to the state agencies to accelerate contract processing.

ADVERSE INTEREST ACT - Many State engineering projects are performed in three phases; feasibility study; preliminary engineering; and final engineering. The Act can be interpreted to preclude an engineer (consultant) from performing subsequent work if a recommendation were made. The Governor must support legislation to clarify the Adverse Interest Act to allow State Agencies to waive the requirements of the Act for phased projects.

CORPORATE REGISTRATION REFORM - Corporate Licensure rules in Pennsylvania require that Engineering firms that practice Architecture must possess a minimum ownership of 50% or more registered architects. A & E firms in Pennsylvania should be able to practice architecture and engineering as one corporate entity. ACEC/PA favors legislation to revise the licensure laws.

CONTRACTING WITH THE PENNSYLVANIA DEPARTMENT OF GENERAL SERVICES - The “Commonwealth Procurement Code” (Act 57) was passed in 1998 to allow DGS to negotiate fees on projects over $10,000,000. The Governor should require negotiation of the scope of work and fees on all contracts for professional services.

ACEC/PA represents the consulting engineering companies in the Commonwealth.

We are 125 companies (member firms).
We represent over 10,000 employees and their families across the Commonwealth.

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