THE ZWEIG LETTER

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What's your network?

Mark Zweig

EDITORIAL

Reach out to your network regularly and wonderful things will happen, Mark Zweig writes.

We all have a network of people. Some of them are clients. Some are friends. Some are former coworkers. Some are neighbors. Some are people we met on planes or during our kids' soccer games. Some are people we went to school with. Some are friends of friends. Some are those who follow us on Twitter. Some are those who are part of our LinkedIn networks. If you put ALL of these people together in one room there would most likely be thousands of people – a huge group.

My point is this: If you took it upon yourself to communicate with this group regularly on things you are passionate about/working on/find interesting – let's say at least once a week – can you imagine the effect it could have on the number of project opportunities coming your way? Do this for years and the numbers would multiply and opportunities would increase accordingly.

By now, many of you have already decided you can't do this. "All of those people don't want to hear my musings on HVAC design," you may be saying. True. They don't. So mix it up and talk about other things. Like design in general. Like lessons learned. Like good news stories about other people you work with.

Some of you may also be thinking, "That's too much for me to do. I don't have time for that." My response would be to spend no more than 15 minutes a week writing whatever it is you want to say. And, in some cases, it could simply be a link to an article you read elsewhere with maybe a comment or two. How long does that take?

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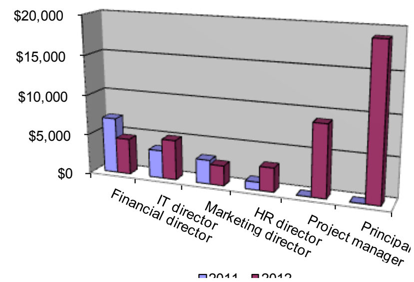
> If you took it upon yourself to communicate with this group regularly on things you are passionate about/working on/find interesting – let's say at least once a week – can you imagine the effect it could have on the number of project opportunities coming your way?

TRENDLINES

Bonus ±



With the recent challenging business environment, bonus payouts at A/E firms have not been consistent in the last few years. According to the 2012-2013 "Management Compensation Survey," almost all firm management positions show an increase in median bonus payout from 2011 to 2012. Principals saw the biggest increase, from $0 last year to $19,000 this year. Also, project managers' median bonus increased from $0 in 2011 to $9,000 in 2012. In addition, IT directors saw a bonus increase $3,500 to $5,000; and HR directors from $1,000 to $3,000. Meanwhile, for financial directors, the median bonus decreased from $7,000 to $4,500, and for marketing directors, from $3,000 to $2,500.
– *Margot Suydam, Survey Manager*

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A/E BUSINESS NEWS

UNDERGROUND LIGHT: Beginning Sep. 15, "Imagining the Lowline," a free exhibition in Manhattan's Lower East Side, will showcase Arup's research into a proposal for the world's first underground park. The exhibit demonstrates how the team's daylighting system for collecting sunlight and channeling it below ground can create an attractive public space and enable plant growth.

Arup has been heavily involved in the project since approaching the architects to enquire about partnering with them to provide technical services. The firm's multidisciplinary team – structural, mechanical, electrical, plumbing, and geotechnical engineers; fire/life safety, code, and acoustic consultants; and lighting and tunnel designers – has provided critical feasibility studies and innovative explorations of design possibilities.

"There's a huge amount of innovation in this project," said project director Craig Covil. "How do we collect daylight, how do we bring it underground, how do we match its intensity to what both plants and humans need down there? Add in all the other environmental issues with regard to noise and vibration, temperature, humidity, and people flow, and there are quite a few things to challenge us."

The current exhibit transforms an abandoned warehouse in the Lower East Side into a life-size replica of the proposed Lowline. The centerpiece is a 35-foot-wide canopy with six "sunbeamers": devices that reflect sunlight into a parallel column, then down a highly reflective tube. From there, lenses in the canopy redistribute the light above a mock-up of a park containing plants that can be cultivated in low light conditions. The system is the result of months of design, modeling, and testing by Arup's lighting team.

The firm's structural engineers created a steel frame that straddles the roof's skylight to support the aluminum canopy (comprising over 500 unique laser-cut aluminum pieces) and sunbeamers. The frame bears on the roof through multiple layers of timber and sand, eliminating the need to anchor into the existing structure. To ease construction, segments were fabricated in the shop and assembled on site.

The exhibition also features a 3D immersive ambisonic audio installation created by the firm's acoustic consultants. Twenty-four targeted loudspeakers and four subwoofers play a sound art composition by acoustician Anne Guthrie, who blended the sounds of subway trains and other urban phenomena. Realistic sound effects were achieved using proprietary SoundLab technologies. During specified periods, visitors will be able to control the localizations of various sounds in the composition via an iPad.

NEW STANDARD: Earth Advantage Institute (www.earthadvantage.org), a nonprofit sustainable building organization, has launched its Earth Advantage Commercial green building certification program.

Earth Advantage Commercial has been redesigned based on a model founded by EAI in the late 1990s. Prior to EAI becoming a nonprofit in 2005, the first EAC program was a subsidiary of Portland General Electric and was responsible for certifying over 50 buildings. The updated program offers a rigorous green building certification that is accessible and cost-effective for commercial buildings smaller than 100,000 square feet. Ninety five percent of all commercial buildings fall into this smaller category; however, green certification is often overlooked due to its perceived complexities and cost. EAC is a specific green building solution for this building type.

In 2010, EAI began piloting a retooled commercial certification concept in collaboration with Energy Trust of Oregon. Ten new buildings were involved in testing program requirements and viability. Late last year, EAI determined that the success of the pilot projects warranted a full national launch of the program in 2012. In August 2012, 12 representatives from eight architectural, engineering, and green building consulting firms successfully completed the two-day Project Trustee training and credentialing exam to become part of EAC's preferred partner network. The network is a new rapid deployment delivery mechanism for EAC certification that will initially be concentrated in the Pacific Northwest and the West Coast. The program is based on three levels of certification: Platinum, Gold, and Silver. The measures are cumulative and prescriptive, allowing for a greatly simplified certification process, which EAI's pilot program found to be missing in the market segment. Developers, architects, engineers, green building consultants, and builders welcome a prescriptive, simplified, and cost effective pathway to certification for commercial buildings smaller than 100,000 square feet. These professionals note that the absence of such a certification option is a strong deterrent against certifying smaller buildings.

The following are initial EAC preferred partners who employ graduated Project Trustees from the EAC training: Ambient Architecture, Brightworks Sustainability Advisors, Chesshir Architecture, Green Hammer Design & Build, Mazzetti Nash Lipsey Burch, Pinnacle Architecture, Steele Associates Architect, and System Design Consultants.

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Some of you may also be thinking that you'll run out of things to talk about. You won't. Every idea you get at any time of day or night should be stored in your phone. Then, when it's time to send your communiqué, you'll have something there to work with.

The personal networks we all have are CRUCIAL to our ability, as professionals, to build a following. Use yours. Stop whining about the decline of your profession, the state of the economy, or your lousy marketing department and take personal action to create new opportunities for yourself now.

I know this process works. I've done it myself and I've taught others how to do it successfully over the years. Now that we all carry personal communication devices (smartphones that receive email), it is easier, cheaper, and faster than ever.

Get to work, all!

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OPERATIONS

Internal communications primer

Three firms share comprehensive plans.

By LIISA SULLIVAN
Correspondent

The primary role of internal communications is to create, encourage and preserve a positive workplace culture.

John Walter, Internal Communications Manager, Burns & McDonnell.

"Yes, we tell people when the power is out and when it's time to sign up for health insurance, but the real challenge – the real fun – of internal communications is to foster a workplace of understanding, trust and respect," says John Walter, internal communications manager, **Burns & McDonnell** (Kansas City, MO), a 3,700-person engineering, architecture, construction, environmental and consulting solutions firm.

FINDING BALANCE. At Burns & McDonnell everything begins with employee ownership, since it is a 100 percent employee-owned company currently in the midst of a communications revolution. The firm is using social media, blogs and video to begin real conversations with employees, allowing them to contribute to the discussions taking place and finding the means to provide content in more interesting ways. The challenge over the next few years is to develop the proper balance between these various channels.

"For example, we still print our employee newsletters… but for how long?" Walter asks. "Some would say it should already be online. Yet, there is evidence that employees don't spend as much time reading online as they do in print. A printed piece offers the advantage of packaging news in a way that you provide content they 'need to know' next to content they 'want to know'."

Walter is confident that once a majority of employees are tablet users, the newsletter will go all electronic, but in a manner that still allows it to provide people content that they need… but aren't likely to have searched for.

CONQUER CHALLENGES. For Burns & McDonnell, information overload is the main challenge. Internal stakeholders have many messages to deliver (e.g., technology news, policy changes, travel, new company campaign launches, and more).

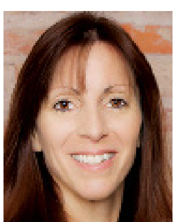
Communicating culture is also very important to Burns & McDonnell.

"We do this by promoting events for employees to participate in, share employee stories, and detail the advantage of employee ownership through detailed financial information," Walter says. "But, meanwhile, we have busy employee-owners whose main goal is to make clients happy. Communication from us is frequently seen as an interruption."

So, what is the answer? While Walter does not claim to have it, he advises firms to continue to try different ways to communicate, be respectful of each other's time, and to engage employees in a dialogue so it does not appear that decisions are being made in a vacuum.

Doug Wignall, president of **HDR Architecture, Inc.** (Omaha, NE), agrees that there is a fine line between communicating enough and communicating too much.

"We don't want staff to tune out the messages we hope to convey," he says.



Trish Martineck, Associate Principal/ Director of Communications, HKS, Inc.

Trish Martineck, associate principal/director of communications, **HKS, Inc.** (Dallas, TX) a 900-person international architecture firm, says that employees want their news on their terms, via their platform of choice. That's why the firm has enhanced its website to include all of media in one easy-to-use package. Employees can sign up for HKS news subscribing by email or RSS feed.

EFFECTIVE COMMUNICATION CHANNELS. There are many. At Burns & McDonnell, they include:

- Email (though they are using less to decrease volume)
- Intranet – allows it to offer up (in a very prominent position on the page) corporate news appropriate for all readers.
- MY News – this shows news about the employee's office location or business unit. For large initiatives, the company does an integrated campaign (newsletters, e-mails, intranet, posters and other signage).
- Weekly CEO email detailing examples of employee achievement, recent big project wins and upcoming employee events.
- Two annual shareholders meetings.

Doug Wignall, President, HDR Architecture, Inc.

At HDR, email, social media (Facebook), news and project feature items on the company intranet, a monthly magazine, and quarterly updates (live video presentations) from the CEO are all effective communication tools.

"A handful of executive leaders have a blog, and a few of us have Twitter accounts. Also, because we are employee-owned, we produce an annual report and hold a yearly shareholder's meeting," Wignall says.

Each communications vehicle has its own degree of success or effectiveness, depending on the level of comfort each demographic has with technology and new media.

"Each vehicle is tailored to a special kind of content in order to be successful: the monthly magazine, for example, is great for feature-type stories. Facebook is a great way to talk about local human interest stories from our offices. Our CEO updates include fi-

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RESOURCES

MANAGEMENT COMPENSATION PACKAGE: In an industry still reeling from the recent recession, A/E firms continue to explore new ways to provide competitive employee compensation while controlling labor expenditures.

ZweigWhite's Compensation Survey Package – which includes the 2012-2013 "Management Compensation Survey" and the 2012 "Incentive Compensation Survey" – offers two resources that can help you effectively manage your compensation plans to attract and retain top talent.

The 2012-2013 "Management Compensation Survey" covers total compensation for top managers, including project managers and information technology, human resources, financial and marketing directors. This survey can help you answer:

- Is your salary competitive with other managers in the rest of the industry?
- Which types of managers are most likely to receive bonuses?
- Have bonuses increased or decreased since last year?
- Which management positions earn the most?
- Do top managers in our industry receive overtime pay?
- What are managers' total compensation packages?

The 2012 "Incentive Compensation Survey" covers profit sharing as well as signing, referral, performance, and other bonus plans. This survey can help you answer:

- How do your bonus plans compare to other firms?
- What kinds of incentive compensation programs are the most successful in attracting top talent as well as motivating and retaining current employees?
- How do firms your type, size, or location, calculate bonus amounts?
- Among your peers, has spending on incentive compensation increased or decreased this year?
- How will spending change in the future?
- What are the challenges in providing competitive and effective incentive compensation programs?

For more information or to buy a copy, call 800-466-6275 or log on to www.zweigwhite.com/zw-1162.aspx.

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nancial performance reviews," Wignall says.

Back in January, Wignall started a blog because he continues to seek new ways to communicate with more than 1,600 employees who live and work around the globe.

"It's a little philosophical, but still strategic," he says. "I do my best to at least post bimonthly, and in between, I have guest contributions from members of the executive management committee. We live in a social world; we don't want to be talked to, we want to converse. As such, I use the blog to have conversations with staff. Not only do I talk about the state, direction and future of the company, but I ask questions too. Each post ends with two or three questions concerning the topic of the next blog. I also welcome public comments."

HKS has successfully developed and implemented a multi-faceted internal communication program for employees that include:

- A regular blog from Ralph Hawkins, chairman and CEO. He also communicates via video messages, and answers "Ask Ralph" employee questions.
- The SOURCE, HKS's intranet site, is the hub of internal communications. It includes a weekly project highlight, HKS.edu calendar activities, and HKS news. It serves as a one-stop shop for information.
- The award-winning INNOVATE magazine raises awareness of the firm's activities, projects and accomplishments.
- Quarterly publications of HKS LINK share knowledge in sector-specific practice areas.
- HKS eNews e-blasts highlight accomplishments and project information from new practice areas to offices, project opening, awards, etc.
- "Ask the Executive Committee" series are held twice a year. They provide a company-wide open forum for employees to discuss firm-wide issues with management.
- All awarded projects are announced to the firm via the "Plaid Jacket." This monthly, internal e-blast announcement is named after the firm's founder, Harwood Smith, who was partial to plaid jackets.

MAINTAIN CONTROL; GET INPUT. There are some company protocols in place when it comes to internal communications. For instance, at HDR, to prevent "spam" email, the firm limits the number of individuals who have permission to send out mass emails to the entire company.

HKS continues to build on its current communications programs based on employee input. The HR and communication groups hold lunchtime focus groups to get feedback from employees at various ranks and locations throughout the firm.

HKS's annual employee survey gathers employee opinions and input in areas such as culture and value, communication and cooperation, earning and development, performance and recognition, and benefits. A recent survey revealed that employees were unfamiliar with some aspects of the promotions process. In turn, seminars were held at all levels explaining the process. This information was also posted on the SOURCE.

In addition, HKS's CEO holds seminars to discuss survey results – both good and bad.

Finally, all non-titled employees are called forum members. Selected representatives from all offices and practices meet twice a year in Dallas with Hawkins at the HKS President's Council. At the one-day meeting, Hawkins and other staff discuss the firm's strategic plan and other key initiatives, employee survey responses and answer more than 50 pre-prepared questions. In addition, the company hires outside speakers. Hawkins also meets twice a year with the firm's associates and vice presidents to discuss all these items. Meetings with associate principals and principals are held monthly.

SURVEY

How are top performers recognized?

Criteria varies widely among firms – although many offer some kind of bonus program.

Design firms report a wide range of formulas for determining performance bonuses, using everything from company profit margins to personalized scorecards and metrics.

Performance bonuses are one of the most common forms of incentive compensation in the A/E industry. Unlike profit-sharing plans, which are most often based on the profitability of the entire firm, performance bonuses can more accurately reward an individual for his or her contributions to the company, giving top performers clear differentiation from underperformers. While these methods provide motivation for improvement and success, how are the recipients of the reward identified, who is in charge of identifying them and how is the amount of their reward decided upon?

According to ZweigWhite's 2012 "Incentive Compensation Survey of Architecture, Engineering & Environmental Consulting Firms," performance bonuses were listed by 55 percent of firms as the most successful incentive compensation plan. These plans were used by 53 percent of all firms surveyed. Performance bonuses were most commonly used in A/E (primarily architecture), multidiscipline engineering, full-service engineering or E/A, and environmental consulting firms, while they were less popular in architecture or interiors firms.

We wanted to know whether firms determine performance bonuses by using measurable, metric criteria such as project profitability and chargeability, or whether they use more qualitative traits, including attitude, teamwork, and client service. According to the survey (which allowed respondents to chose more than one option), an equal percentage firms use measurable metric criteria as do subjective review of qualitative traits (68 percent). Thirty percent of firms used numerical ratings for qualitative traits as their selection for a bonus, 20 percent used peer review and 5 percent used other methods.

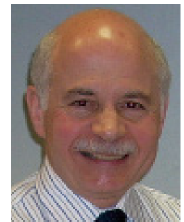
Top management appeared to be most responsible for determining the performance bonus criteria, with 77 percent of survey respondents naming the president/CEO/managing partner as the person in charge of creating the formula or amount of bonus. Vice principals were responsible at 41 percent of firms, board of directors at 34 percent and the CFO/Financial manager at 30 percent.

Because methods for determining performance bonuses can vary greatly from firm to firm, the survey asked firms to provide actual formulas used to determine performance bonus amounts, or for those that don't use a specific formula, the method used to decide the dollar amount. Survey responses ranged from "Subjective based on financial performance, quantity of work, and manager determination," to "2/3 performance metrics – revenues generated, project profits, new clients 1/3 other – teamwork, evaluations."

Merit-based. Arthur Mabbett, president, **Mabbett & Associates, Inc.** (Bedford, MA), an environmental consulting firm, says that his firm has a standing merit raise and merit bonus program that applies and is available to all staff.

"We regularly recognize staff for their administrative, technical and project performance and client feedback. Completing a project on time, within budget and schedule is required of a professional, but staff who go above and beyond are clearly recognized and thanked," Mabbett says.

Mabbett's incentive program is set up so anyone can nominate another person for recognition, with an executive management committee making the final call.



Arthur Mabbett, President, Mabbett & Associates, Inc.

"This program is an incentive program intended to help ensure that those staff who perform in an exceptional manner are recognized sooner, rather than later," Mabbett says.

"We regularly recognize staff for their administrative, technical and project performance and client feedback. Completing a project on time, within budget and schedule is required of a professional, but staff who go above and beyond are clearly recognized and thanked."

Performance bonuses aren't always strictly in the form of cash bonuses. According to the 2012 "Incentive Compensation Survey," 45 percent of firms give gift certificates or gifts as non-monetary performance awards.

Mabbett says that at Mabbett & Associates Inc., "The recognition can include but is not necessarily limited to: additional personal leave, sport and cultural tickets, dinner gift cards, merit cash bonuses and merit raises, etc."

He adds, "We also recognize those staff who achieve additional peer recognition and credentialing. This can also include a staff promotion and an increase in annual base compensation, roles and responsibilities. These programs are in addition to our firm's profit sharing-retirement and 401(k) programs."

The survey found that a median amount of 5 percent of total payroll was paid out as performance bonuses in 2011, with 41 percent of firms predicting an increase in this amount for 2012.

Power tips to poor interviewing

Leo MacLeod

GUEST SPEAKER

If you don't want to win your next project, interviews don't have to be stressful.

If you're not actually interested in winning a project, here are some tips for your next interview.

Go in cold and wing it. Competitors may have taken time to understand who's on the interview panel and what they care about, and even anticipate possible questions or concerns. That's fine for folks who have time, but why bother when you can wing it instead?

Perhaps an interview team is assembled and briefed on the project scope and its role in the project. Maybe responses were practiced for possible specific questions. But if not, don't sweat it. See what happens on the spot.

Sure, it might appear as unpreparedness, but they'll appreciate that you're too busy to really put the work into it. It shows you are in demand and should be taken seriously, because you don't have time to do more than grab people and make an appointment.

And if you forget to see where the interview is taking place, just apologize for being late. After all, you're busy and they should be lucky you're taking time to show up at all!

Be sure to talk a lot. This is really about you and when you think about it, there aren't enough hours in the day to say all the things you want to say. It's important not to leave any gaps or awkward silences. Keep a steady stream of words coming from your mouth.

If you notice the panel fidgeting, shuffling papers or looking bored, that just reflects poorly on them. Ignore them and keep talking.

"Good" questions are overrated. So is "getting to the point." If it takes a little longer to make a point, well then it takes longer.

They want to hear from you. It's a performance, not a dialogue. You're not there to make friends or engage them in some aspect of the project that they care about. If they have a question, let them email it to you or set up another time.

Don't answer the question directly. Here's what I don't get: Let's say you know what you're going to say and even rehearsed it. Then you get a question that is similar but not exactly the one you prepared for. You give your pat answer and then later learn "you didn't answer the question." Really?

You can't win. If you prepare your stock response, you don't get points for preparing. And if you don't have a stock answer, you get penalized for preparing. That just supports my point: Don't prepare.

Maybe you sat in on a workshop where they told you to "listen carefully" to interview questions and perhaps even repeat them back. How dumb does that make you look?

Maybe someone told you to ask whether you answered the question. But it's time to move on to the next question, which you already have an answer for.

Lie if you have to. This might seem like a bad move, but people don't really want to know the truth. If you are asked whether you have specific experience with a building product, just say "yes." You can always do your homework later.

Interview panels are like sharks looking for blood. Don't show any weakness or give them any reason to reject you. Sure, there are things you could have anticipated fielding if you had time, but you don't have any. Honesty is not the best policy.

Appear uninterested. It worked when you first started dating and it works with interview panels. The more that you show you're not interested, the more interested they become. This may seem counterintuitive, but trust me, your indifference to winning this project communicates confidence and a certain take-it-or-leave-it attitude that owners find irresistible.

The firm that interviewed before you probably communicated how much it understands this project, how it hand-selected the right team and anticipated challenges. Perhaps it even provided some drawings or visuals to show how much they really want this job. But frankly, it's just another job. Treat it that way.

Interviews don't have to be stressful. If you don't prepare, don't take them too seriously, make it all about you, fib if necessary and communicate that your time is worth more than anyone else's, your chances of not winning the next project are outstanding.

LEO MACLEOD is a new business coach and a strategic consultant. Contact him at leo@mainspringmarketing.com.

Article published originally in the Daily Journal of Commerce.

A primer on design/build contracts

William Quatman

GENERAL COUNSEL

As this form of project delivery becomes ever more common, so do the contract form offerings.

This was another big year for design/build legislation in the U.S., with 121 bills introduced in 23 states. What is more impressive is that almost 30 percent of these bills passed. Compare that to the net overall passage rate for legislation in my home state of Missouri (6.4 percent in 2012) and you can see that design/build laws fare much better than those on other topics. This high percentage reflects the typical support that design/build tends to get from state legislators as public owners try to find more efficient ways to get their projects completed – on time, on budget and without all the change orders and infighting that tend to tarnish design-bid-build delivery.

If your firm is not already doing design/build… you will. It's only a matter of time as the market heads in that direction in both the public and private sectors. How will your design/build team be structured? There are four basic variations: a) Contractor-led (the most common form, where the designer is a subcontractor to the contractor); b) Designer-led (very rare, where all construction is performed by subcontractors to the design firm; this tends to be used more in engineering projects than architectural); c) Joint venture/LLC (the contractor and designer form a "JV," a partnership, a new corporation, or a limited liability company that acts as the prime contractor. The new entity is hired by the owner and then subcontracts back to the members for design and construction services); and, d) The integrated firm (this is the form chosen by some large contractors that have in-house design staff and by larger engineering firms. The construction trades are subcontractors to this integrated firm).

Now that you have your team, what contract form will you use? There are many options to choose from in those instances when the owner does not mandate its own form of agreement.

If your firm is not already doing design/build… you will. It's only a matter of time as the market heads in that direction in both the public and private sectors. How will your design/build team be structured?

- **The American Institute of Architects.** Until 1978, the AIA's Code of Ethics prohibited its members from engaging in design/build due to a perceived conflict of interest where the architect had a financial interest in the project. The AIA's board rescinded the prohibition and in 1985 the AIA published its first design/build contract forms. These were updated most recently in 2004, with some added forms in 2008 for lower-tier subcontractors. Many architects are most comfortable with the AIA brand, but some users find that these forms are not much more than a variation on traditional AIA language, not specific enough to the unique needs of design/build. Nonetheless, the AIA brand remains strong as the oldest continuous publisher of form contracts since the late 1800s.
- **The Associated General Contractors of America.** The AGC was the first to begin publishing design/build contract forms, in the early 1980s. Many users found the AGC forms more practical to work with than the AIA's forms. In 2007, the AGC formed a coalition with 20 other industry partners and rebranded their forms as the ConsensusDOCS. The new forms included a whole series of design/build forms that went beyond what the AIA offered. The latest "400 Series" includes such forms as a GMP amendment, SOQ form, surety bonds, change orders and pay applications. This is a good set of forms that are marketed as "neutral," in that their drafters represent all players in the industry.
- **The Engineers' Joint Contract Documents Committee.** Three professional engineering societies, National Society of Professional Engineers (NSPE), American Council of Engineering Companies (ACEC) and American Society of Civil Engineers (ASCE), comprise the engineers' joint contract documents committee, called the EJCDC. In 1995, the engineers released a comprehensive nine-document set of design/build contract forms and guides. These forms were updated in 2009 and are popular, as you might guess, among engineers and some public owners, used mostly for civil and structural projects like bridges, water and wastewater plants. Check out their "D" series, which includes a dozen forms, including surety bonds.
- **The Design-Build Institute of America.** In response to the emergence of design/build project delivery, the DBIA was founded in 1993. DBIA represents practitioners from all phases of the process as well as owners who advocate the design/build process. DBIA's membership has grown from its initial 11 founders to over 4,000 members in 2012. DBIA is the newest publisher of design/build contracts, starting in 1998, and now boasts of 25 forms tailored solely to design/build. These forms were drafted and updated by a small committee of construction lawyers who focus their practices on design/build. As a result, they represent some of the cutting-edge concepts and are not merely a

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FEEDBACK

How to define the true leader?

Avid reader responds to a recent Mark Zweig editorial.

In his editorial, "Recent observations on leadership," in **THE ZWEIG LETTER**, Aug. 27, 2012, Mark Zweig writes that many people advise on leadership, but few know about the subject. Chris Stockwell, senior vice president and chief marketing officer at **GEI Consultants** (Woburn, MA), a 500-person geotechnical, water resources, environmental and ecology planning, design and construction solutions firm, wrote Mark back:

"Great observations on leadership in this week's cover. I couldn't agree more. I've always believed a great description of leadership to be this: "True leaders are the ones who others 'want' to follow." Seems pretty simple, but it actually sets a very high bar.

I'm not insinuating that leadership is a popularity contest. For instance, great leaders must make tough, unpopular decisions, too. Intelligent 'followers' understand this. But, the great leaders who bring long term success to the organization are the ones others actually want to follow. Words describing such gifted leaders might include trust, integrity, honesty, direction, steady, interested, vision, likeable (enough), respect (both ways), credible, and centered. I'd follow that person!

Chris Stockwell, Senior VP and CMO, GEI Consultants.

Leadership, as I define it in the simple phrase above, breeds a powerfully positive company culture. The other kind (based on tenure alone, and/or dominance, big talker, etc.) can't help but bring some organizational dysfunction over time.

> "True leaders are the ones who others 'want' to follow."

I had the good fortune to attend Northwestern's Kellogg Graduate School of Management back in the '80s. There was a professor who taught a very popular second year course on Leadership. It was a gut course (e.g., easy!) – 10 weeks, nine speakers, and one paper. I listened to the chairmen/CEOs from the old Continental Bank, from Mobil, United Airlines, Beatrice Foods, Carson Pirie Scott and others. They had their chance to positively impact 100 students. But, they spoke of org charts, hierarchy and power. They conveyed grizzled war stories where they were the victors. They were extremely successful by many measures, but I did not hear them present a real vision of leadership that brings long-term organization success. Unimpressed, in a fit of defiance I wrote my 10-page final paper on my mother, a very successful woman of high character and integrity deeply involved in public service in her community, and a person who people loved to follow.

A couple of years later, I reviewed the job status of the corporate big wigs. All but one had been removed, or otherwise moved on. Great leaders over the long run are the ones that others want to follow. Companies who relish and zealously safeguard the values that seem inherent in such people win the war, and their organizations probably fight far fewer internal battles along the way.

PS – Interestingly, the professor gave me an A minus grade for my paper. Not perfect, but he seemed to have accepted most of my premise!

Mark Zweig responds,

Chris – that's a really good point and pretty much boils it all down. Thank you for writing!

Mark

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rehash of prior industry forms. In the latest edition, issued in 2010-2012, DBIA released a teaming agreement, plus forms dealing with insurance, sustainable design, BIM and design-subconsultants. DBIA also publishes a Manual of Practice that it markets as a guidebook about single source contracting, with instructions, procedural guidance, sample formats, code of professional ethics, risk management guidelines and regulatory data. DBIA also publishes guidebooks on public RFQ/RFP processes, both for the public owner and for the design/builder, and a number of surveys of state procurement and licensing laws.

- **International Design/build Contracts.** For international work, you might consider forms published by the Federation Internationale des Ingenieurs-Counseils (known as FIDIC), an international association of consulting engineers based in Lausanne, Switzerland. FIDIC was founded in 1913 and publishes several form contracts for use on international design/build projects, including engineer-procure-construct (EPC) projects. The FIDIC contract forms include letters of tender, contract agreements, general conditions and others. These forms contain many of the same topics dealt with in design/build forms published in the U.S., but address issues unique to international projects.

Design/build carries with it various risks for the owner, contractor and design professional. These risks require careful contract drafting as well as review of state licensing and procurement laws, plus insurance coverage. Certain forms of design/build are illegal and, as a result, contracts can be declared invalid. Get good legal counsel to advise you on the form that best suits your needs, and involve your insurance agent early on. Good luck!

G. WILLIAM QUATMAN is an architect and general counsel at **Burns & McDonnell Engineering Co.** (Kansas City, MO). Contact him at bquatman@burnsmcd.com.

BEST FIRM 2012

Bowers + Kubota = Satisfied employees

Best Firm in civil engineering category offers the complete package.

By LIISA SULLIVAN
Correspondent

Bowers + Kubota staff enthusiastically participates in a softball league tournament. The firm sponsors a company softball team each spring.

Bowers + Kubota Consulting (Oahu, HI) is consistently a best firm to work for – No. 1 in the civil engineering category in 2012.

So, aside from the obvious feature of being located in Hawaii – what makes them so good? A myriad of benefits and features accompany its coveted location.

A full-service engineering and architecture firm of 120 employees that focuses on project and construction management, Bowers + Kubota also has a strong architectural design section with nine architects.

Brian Bowers, president, first explains the firm's mission: "'Fulfilling Our Clients' Vision with Teamwork and Integrity.' This new mission statement was adopted as part of our strategic planning process that began in April 2011."

In addition to a new mission statement, the firm has also adopted a new vision statement and core values.

Initially founded in 1980 by François Iragui, the firm's primary focus was to provide project management services to the aviation industry in Hawaii. Since then, it has expanded its services to many other public and private clients to include architectural design services.

METRICS SAY IT ALL. "Although we were honored to be selected as a 'Best Firm To Work' by ZweigWhite, we remain committed to a continuous improvement philosophy," Bowers says. "Bowers + Kubota is a family-oriented organization which strives for excellence in all we do."

Bowers reports that some recent metrics to support a Best Firms To Work For honor the following:

- The firm maintains an outstanding benefits package and wellness program to include 100 percent employer-paid health insurance, dental, drug, and eye care for both employees and their family members. "We know of very few companies that have this level of commitment to their employees and their families. This benefit is offered to all employees, not just key staff members," Bowers says.
- The firm contributed record amounts to the firm's bonus pool in 2011. This amounted to more than 10 percent of gross annual payroll.
- The firm also contributed its highest total ever to the company profit sharing/401(k) plan in 2011. This resulted in a profit sharing distribution of 9 percent of compensation to all full-time employees. In addition, there was a 100 percent match on 401(k) contributions up to 3 percent of salary.

Additionally, employee surveys were administered and satisfaction results were as follows:

- Leadership and planning, 97 percent
- Culture and communication, 99 percent
- Role satisfaction, 97 percent
- Work environment, 98 percent
- Supervisor relationship, 97 percent
- Training and development, 90 percent
- Pay and benefits, 96 percent
- Overall engagement, 99 percent
- Overall satisfaction, 97 percent

A TRIPLE HEADER. The firm was also selected by Hawaii Business Magazine as the "Healthiest Workplace" company, as well as the top "Family-Friendly" company in 2011. This is the first time that any company has won all three awards in the same year.

"We have told our employees that this is like winning the triple-crown in baseball or in horseracing," Bowers says. "In the past four years the firm has placed third, first, second and first in the Hawaii competition. In the past two years, prior to our selection as number one

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ON THE MOVE

JQ HIRES: JQ (Austin, TX), a structural and civil engineering and surveying firm, announced that **Scott Bacak** has joined the firm as survey manager in its Dallas office.

Bacak has over 20 years experience as a land surveyor and has extensive experience with ALTA/ACSM, boundary, topographic, as-built surveys and construction layout. Bacak has lead team members and managed public and private development projects and field personnel utilizing numerous surveying technologies, such as GPS (Trimble, Leica, Topcon) and Auto-CAD Land Desktop. His experience includes working on planned community developments, commercial developments, as well as multifamily developments in the North Texas and Conroe areas, and as-built and control surveys for the cities of Plano and Richardson.

"We look forward to Scott's contributions to the continued growth of our survey and scanning services," said Stephen Lucy, managing principal of JQ's Dallas office.

DEWBERRY PROMOTES: Dewberry (Fairfax, VA), a privately held professional services firm, has promoted Molly Wagner to director of communications. Based in the Fairfax headquarters, Wagner has been with Dewberry since 2005.

Wagner is responsible for directing the award-winning corporate communications and media relations program for the 1,800-person, $300 million firm with 40 locations nationwide. She oversees a team of communications and public relations practitioners, graphic designers, photographers, and social media specialists.

Wagner recently directed a comprehensive firm-wide branding realignment, involving multiple offices and legal entities. The initiative resulted in a new website, social media tools, and multiple brochures and related collateral. Wagner also serves as editor of the firm's quarterly magazine, Dimensions.

Wagner has 16 years of experience in public relations, marketing, and media outreach with a focus on professional services.

LEO A DALY HIRES: Edward Benes has joined international architecture, planning, engineering, interior design and program management firm **LEO A DALY** (Omaha, NE) as vice president and deputy general counsel.

Working with general counsel Jerry Norris, Benes will handle the legal issues of LEO A DALY and its subsidiary Lockwood, Andrews & Newnam (LAN). His responsibilities will include drafting, reviewing and negotiating client, subcontractor and joint venture contracts, managing and addressing corporate law issues, maintaining corporate and professional liability insurance, and advising senior management of potential risks in contractual, financial and legal areas. In addition, he will be providing legal support and recommendations on human resource issues, employee benefits and company policy development, satisfying state registration requirements, managing and addressing disputes and claims against the firm, supporting acquisitions and firm growth initiatives, as well as providing risk management training.

Benes has nearly nine years of experience as an attorney in the construction industry. Before joining LEO A DALY, Benes served as senior counsel at Newmont Mining Corporation, providing legal support for the company's capital construction projects group. Prior to that position, Benes was vice president and senior counsel at **AECOM Technology Corporation**, where he supported its Midwest region and North America design-build group.

Prior to becoming an attorney, Benes worked as a professional engineer and project manager for more than seven years. As an engineer, Benes worked for several consulting firms in Chicago, where he designed numerous civil engineering and infrastructure projects.

"Edward Benes is an invaluable addition to our firm," said Charles Dalluge, LEO A DALY's executive vice president. "His expertise in corporate, construction and employment law and his background as a professional engineer make him a perfect fit for this position."

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for 2012, we placed third and first in the ZweigWhite national 'Best Firms to Work For' for civil engineering firms."

Bowers + Kubota is a learning organization that is constantly looking for ways to improve. This is demonstrated by its decision to update the strategic plan using a collaborative approach with 10 of its team members on the strategic planning team.

"We foster a culture where employees are encouraged and given the tools and resources to thrive," Bowers says. "Overall, we are proud of what we have accomplished together and remain committed to fostering a healthy work/life balance for all employees."

Awards attract employees. Amy Matsushima, human resources manager, adds that the honor and prestige of being awarded a national award such as the Best Firms To Work For is a key recruiting tool.

"The name of the award itself calls positive attention to the firm," Matsushima says. "When asked why candidates applied, they reference back to being awarded 'Best Firm' as a reason for interest. In this information age, most candidates research on the web potential companies that they are interested in applying to. For me, as a fairly new hire, seeing that Bowers + Kubota had won this award provided me with a deeper understanding of the value the owners place on the employees and the culture of the company. I knew it was where I wanted to be."

Community service and fun. Finally, the people at Bowers + Kubota know how to have fun and to foster camaraderie through community projects.

For example, they give back to the community by volunteering for Adopt-a-Highway in Kauai. The firm sponsors Adopt-A-Highway events on three of the Hawaiian Islands and clean-ups occur quarterly.

Leadership also encourages wellness. Employees get out of the office to enjoy each other's company often. They play in the annual B+K Golf Tournament. They go on company-sponsored hikes around the island. They get adrenaline rushes on the field enjoying an active day of kickball or softball and have regular yoga sessions to calm their bodies and minds.

Additionally, regular parties and family outings occur. In 2011, as part of the Christmas party, the firm made a donation of $2,500 to a local charity that makes Christmas possible for needy families. Employees also donated toys similar to "Toys for Tots" to the same charity. And, employees and families celebrated its recognition as the No. 1 Best Firm To Work For in 2012 by spending an exhilarating day at the Kapolei Raceway Park.

All this and more makes for a winning recipe for productive and happy employees.

CAPITAL

Cutting back, but keeping up

What's the payback and what are the long-term implications?

By LIISA SULLIVAN
Correspondent

Every firm has the challenge from time to time – a thinning budget – but still the need to spend on vital items. So, what's a CFO to do when money is tight, but investments are still needed with scarce resources? It seems that investing in people and in long-term planning play key roles.

Focus on ROI and long-term planning. Jason Hill, executive vice president and CFO at **Barge, Waggoner, Sumner & Cannon, Inc.** (Nashville, TN), a 315-person engineering and architectural firm, says that in all economic climates, especially when resources are scarce, he advises management to really focus on the return on investment of each dollar.

Jason Hill, Executive VP and CFO, Barge, Waggoner, Sumner & Cannon, Inc.

"In my experience, focusing on ROI will help you make the best long-term investment decisions for your firm," he says. "This approach usually leads to decisions that help to sustain growth and profitability over the long-term."

David Remick, CFO at **Woodard & Curran** (Portland, ME), a 650-person integrated engineering, science and operations company, says that his firm has a very robust strategic planning process in which they are constantly evaluating where they want to be in five years. This includes a gap analysis where they identify and prioritize investments needed in order to meet their strategic goals.

"Senior leadership is aligned around the prioritization of these initiatives and investments. So, when money is tight, we can quickly identify what will be funded and what will be deferred," Remick says.

Critical investments. In Hill's experience, the most critical investments that can be made in an economic downturn are in people.

"One cannot let a short-term financial situation impact the ability to attract and retain the key drivers of your business, which for us is our people," Hill says.

David Remick, CFO, Woodard & Curran.

Remick says that its critical investments are centered on ways to provide solutions to clients in a more effective and efficient manner; these are usually prioritized first.

"These could involve investments in technology solutions, as well as additional capabilities and expertise," Remick says. "For example, last year we identified a gap in our Corrective Action business, and determined that we needed additional resources and capabilities. As a result, we completed the acquisition of **Cummings/Riter**, a 32-person firm concentrating in corrective action, environmental compliance and site development, earlier this year. This investment quickly allowed us to provide additional services to our clients and more opportunities to our people."

Like Barge, Waggoner, Sumner & Cannon, Inc., Woodard & Curran also tends to prioritize investments in its people.

"After growing at an average of almost 10 percent per year throughout the recession (since 2007), we can be reasonably assured that the demand for our services will be there, even during three- to six-month periods of slow growth. So, we know that the business will return and we want to be sure we have the right resources and expertise to meet our clients' needs when it does," Remick says.

Retaining and training people is essential. That's why this year Remick said the company made the decision to invest in an HRIS (Human Resource Information System) solution. "This investment will provide us with a tool to better utilize, train, develop and recruit our people," he says.

INVESTING IN IT

When it comes to investing in IT, the relative merits of one solution over another is like comparing apples to oranges. The relevant variables for each solution are so different. Logicalis, an international provider of integrated information and communications technology solutions, suggests that if a firm is on a tight budget that CFOs not only examine ROI, but also ask the following questions to determine if this is a now or wait and see decision. The key questions are:

1) **Risk:** What effect will this initiative have on the security of the company's applications or operations?

2) **Urgency:** When must this initiative be complete?

3) **Productivity:** How much will this initiative increase productivity?

4) **Mandate:** Is this initiative being undertaken to address a legal/contractual obligation? Is this a directive from the CEO?

5) **Impact:** What kind of strategic, tactical or operational impact will this have on the business?

6) **Customer service:** How will this initiative improve customer service levels?

7) **Alignment:** How well does this initiative support the organizations' goals and objectives?

By asking these key questions, CFOs and other financial decision makers will be able to better determine and prioritize technology investment decisions.

TRANSACTIONS

CEC BUYS: Civil Engineering Consultants (San Antonio, TX), announced the acquisition of **Kling Engineering and Surveying** (Bryan-College Station, TX), effective Aug. 31.

KES was founded in 1975 by Bill Kling and his son, Stewart, and is one of the oldest homegrown engineering and surveying firms in Bryan-College Station, which, of course, is the home of Texas A&M University. Don Durden, president of CEC, described the acquisition as the next logical step in its growth strategy.

"We are in this business for the long haul," Durden said, "and we are bullish on the Bryan-College Station's potential for long term growth.

This is a great community and we are very pleased to bring Stewart and his folks on board, to expand and enhance their production capacity, and to continue to provide quality services to public and private sector clients in the Brazos Valley."

Kling currently employs eight people, while CEC employs approximately 85. Both firms have seen increased demand related the Eagle Ford Shale play.

With offices in San Antonio, Laredo, and now Bryan-College Station, CEC can be even more responsive to its clients' needs throughout the entire Eagle Ford region without excessive travel time costs and delays. In addition to traditional residential and site development design and surveying services, CEC also offers extensive experience in transportation and municipal public works.

Kling Engineering and Surveying, a sole proprietorship, will do business as Kling Engineering and Surveying, a Division of Civil Engineering Consultants.

All Kling employees are anticipated to remain employed in their current capacities. Stewart Kling will serve as the division manager of the practice, while Fred Paine, a lead engineer with Kling for the past twelve years, will be the assistant division manager.

FIRMS MERGE: Two of West Michigan's design firms, **Progressive AE** and **Design Plus**, both of Grand Rapids, announced they have merged to create one of the area's largest full-service design firms specializing in architecture, engineering and interior design.

The combined entity brings together two respected and growing market leaders with nearly 85 years of experience, more than 150 full-time professionals and annual revenues of more than $25 million.

Financial details of the merger were not disclosed.

The combined company, which will be headquartered in Progressive AE's 50,000-square-foot office in Grand Rapids, will retain the Progressive AE name. The company will be led by Progressive AE's President and CEO Bradley Thomas, with a bolstered leadership team that will include senior members of the Design Plus team.

Progressive AE and Design Plus previously partnered on projects and began discussions over the past year about the benefits of a merger.

With common values, mutual commitments to community, a shared focus on responsible design and sustainability and a core belief that design solutions should respond to and help drive their client's business results, the principles of both firms ultimately determined they would be stronger together.

"We have long had great respect for the work of the Design Plus team, and we're excited to now come together with them as one firm, combining our talented professionals and our distinct and complementary skill sets," Thomas said. "The merger will benefit current and future clients as we come together to share our resources, talent and best practices, resulting in improved processes, agility, greater efficiencies, a deeper pool of talented professionals and the ability to handle design projects large or small, local or national, with professionals registered in the 48 contiguous states."

This merger will pave the way for the newly expanded firm to establish a stronger national practice by leveraging the distinct and complementary strengths of each partner. Progressive AE brings the offerings of a national full-service design firm with a diverse portfolio and significant depth of expertise in multiple industries and service offerings.

Industries served include healthcare, education, workplace, non-profit, government, retail and manufacturing. Design Plus is an industry leader in design and the use of cutting-edge technology, such as 3D building modeling, and has developed a strong niche in the area of student housing and dining projects, as well as expertise in higher education, developer partnerships, public and non-profit markets.

Both firms have successfully established long-term, loyal client relationships through their creative approach, and high level of service.

"We are thrilled to become one team with our peers at Progressive AE at a time when both firms are in a position of strength and in a period of growth, with multiple active projects and new opportunities on the horizon," said Craig Nicely, senior architect and principal of Design Plus. "We have great admiration for Progressive AE's entire staff and leadership team, strong national practice, design leadership, and focus on personalized service and commitment to giving back in our local community, all of which are ideal complements to Design Plus and what we hold in high regard. We're excited about what the future holds as we begin this next phase together as a larger, stronger firm."

ERM ACQUIRES: ERM (Exton, PA), a 4,700-person provider of environmental, health, safety, risk, and social consulting services, has acquired **Rescan Environmental Services Ltd** (Vancouver, BC), a private, Canadian-owned, environmental consulting firm offering a wide range of services to the resource development industry. This acquisition consolidates ERM's leading position in the sustainability market, particularly in respect of the resources sector.

Rescan has 170 employees and specializes in the mining industry. The company provides impact assessment planning and other environmental services, such as water management, air quality management and social consulting.

It provides services primarily in the mining sector and operates around the world, particularly in Canada and Latin America.

John Alexander, CEO of ERM, said: "The acquisition of Rescan is an exciting and highly significant development for ERM. It is central to our strategy of building a leading position in the key markets that we choose to operate in – in this case, a combination of the mining sector, the impact assessment practice and the Canadian market."

Clem Pelletier, CEO of Rescan, said: "This is an important opportunity for Rescan and ERM. The two companies share a history of, and commitment to, delivering world-leading environmental management solutions to their clients, spanning decades, industries and borders."