

The Redesign *of* ACEC

BY CALVIN HENNICK

When Dave Raymond took over leadership of the American Council of Engineering Companies in March 1999, he knew the job was right for him. He did not know he'd become a "lifer."

"With my background in both engineering and public service, I thought my qualifications were a good fit, and the role offered me a new challenge," says Raymond, who will retire from his post this spring after nearly two decades of service.

"I didn't think of a time limit, but I certainly didn't think I'd be here until retirement," he adds.

Raymond came to the organization after 20 years in the engineering industry, with executive experience at firms around the country, including Raytheon and Enserch Corp. He'd also worked for a U.S. senator on Capitol Hill and had roles at executive branch agencies.

When he arrived at ACEC, he says, he found a "sleepy" association in need of a jump-start. But, as he got to work, Raymond became excited by the possibilities of turning the organization into what members now call a "powerhouse."

"It was presented to me as an organization that had great potential but was not operating on all cylinders," Raymond recalls.

"When I came here, I found that was an apt description. So, we got busy. We brought in many capable people who have performed very well, and we've empowered staff to do much more than they ever could before. I could see the fruits of the effort that was being put in. We were pleased and excited by the outcomes, and it was fun, as well."

Over the past two decades, the American Council of Engineering Companies has grown in membership and stature, and become a powerful voice on Capitol Hill, and in state capitals throughout the nation—
with outgoing President/CEO Dave Raymond at the center of it all

JAMES KEGELY



Raymond's "State of the Council" addresses are highlights of Council board meetings. Here is the 2017 Fall Board meeting.



Those outcomes include membership growth, improved relations with state organizations, major legislative and regulatory wins, and one of the country's largest political action committees, as well as world-class communications, educational programming and conferences.

"When Dave arrived, we were an organization that offered education programs to its members, and we did a reasonably good job at that, but we were not very effective as a lobbying entity," says Terry Neimeyer, CEO at the Maryland-headquartered KCI Technologies, and chairman of ACEC from 2011 to 2012. "You go to Washington, D.C., and talk to any of the folks in power, and they know who ACEC is. That, to me, has been Dave's biggest legacy."

"I've seen a move to excellence on almost every level," says Mary Ann Emely, ACEC's vice president and COO, who joined the staff in 2001. "Over the years, we've replaced every staffer who left with a higher-qualified person. We've built a top-level team. Everything is being done at a much higher level than it was 15 or 20 years ago, and our members recognize that. Dave wanted to build a top-tier organization, and we've accomplished that."

ACEC now represents almost 90 percent of the ENR 500 and more than 600,000 employees

BIGGER AND STRONGER

While there's no single metric for judging the strength of an industry association, membership levels and staff quality are good places to start. In both cases, Raymond and ACEC set new standards.

Over the past 20 years, the



At the 2012 news conference announcing the launch of the Institute for Sustainable Infrastructure, of which ACEC is a co-founder.

portion of eligible *ENR Top 500* Design Firms that are ACEC members increased from 70 percent to a current 87 percent (including 90 percent of the *ENR Top 100*). ACEC now has more than 5,000 Member Firms, representing more than 600,000 A/E professionals.

Membership growth has reflected ACEC's ability to demonstrate the enhanced value of the organization. "They have found us to be a hard-hitting organization working on behalf of their interests," Raymond says.

To improve quality of staff, Raymond says he not only pushed for more competitive compensation, but also made a point of

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giving people leadership opportunities and empowering them to make decisions and solve problems. Emely recalls, “On the day he hired me, he told me he never wanted me to agree with him just because he’s the boss.”

Jerry Stump, CEO of Volkert, Inc., and 2010–2011 ACEC chairman, calls the ACEC staff and leadership one of the greatest strengths of the organization and one of the greatest transformations over the past two decades. “The professionalism of the staff is impressive and lends even greater strength and credibility to the organization,” Stump says. “They do an outstanding job of running the organization while being accessible to and responsive to our Member Organizations and Member Firms.”

Stakeholders within ACEC also credit Raymond with strengthening ties between the national organization and the now 52 state and regional chapters or “Member Organizations.” In 2000, the national organization changed its name from “American Consulting Engineers Council” to “American Council of Engineering Companies” in recognition of its firm-based membership and a “desire to appeal to a wider audience both within and outside the industry,” according to Raymond. Over

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HEARD 'ROUND THE ORGANIZATION



“Since Dave took over in 1999, ACEC has gone from a more internally focused business league to a legislative powerhouse. This was a game-changing adjustment.”

– **Jay J. Simson, president, ACEC/New York**

“Over the last 20 years, ACEC has become a lean, mean fighting machine.”

– **Eric L. Flicker, 2003–2004 ACEC chairman**



“Membership value of our Council has become strengthened to the point where it is viewed as the standard to which other engineering associations throughout the world aspire.”

– **Gregs Thomopoulos, 2013–2014 ACEC chairman
2009–2011 FIDIC chairman**

“Everything is being done at a much higher level than it was 15 or 20 years ago, and our members recognize that. Dave was the driving force on this mission. He has wanted to build a top-tier organization, and we’ve accomplished that.”

– **Mary Ann Emely, ACEC vice president and COO**



“Dave has made ACEC a leader in the design community and a powerful force on Capitol Hill. My members see the value of ACEC now more than ever before.”

– **Alison Davis, executive director, ACEC/Oregon**

“You go to Washington, D.C., and talk to any of the folks in power, and they know who ACEC is. That, to me, has been Dave’s biggest legacy.”

– **Terry Neimeyer, 2011–2012 ACEC chairman**



“Our stature and relevance have been enhanced on both the national and international stage. He has brought a high level of professionalism, intellect and energy.”

– **Orrin B. “Mac” MacMurray, 2007–2008 ACEC chairman**

“In the more than 25 years that I have been active in ACEC, I have seen Dave take ACEC from a VW bug to a finely tuned Mercedes Benz, becoming the high performance organization we see today.”

– **Robin Greenleaf, 2009–2011 ACEC vice chair**



Wins on Capitol Hill

Perhaps the best-known examples of ACEC achievements over the past two decades are in the government advocacy area. “Our advocacy, under the skillful leadership of Steve Hall and a top-notch lobbying and political team, has been second to none,” says Raymond. “All our programs—from advocacy to education to communications—reinforce each other, and the professional staff are quick to support each other. I am so proud to be one of them.”

Expansion and Defense of QBS—ACEC has been relentless in its advocacy of Qualifications-Based Selection (QBS). The organization successfully lobbied the Federal Highway Administration to prevent state DOTs from putting projects out to bid in “reverse auctions,” effectively defended numerous challenges to QBS, including those from the Federal Emergency Management Agency, the U.S. Forest Service and other federal agencies. ACEC has also worked effectively with its state organizations to promote and protect QBS, and commissioned a 2009 study by the University of Colorado and Georgia Tech, which highlighted the benefits of QBS in terms of reduced costs and project success.



JAMES KEGELY

Raymond and 2012-2013 Chairman Ted Williams meet with Alaska Sen. Lisa Murkowski on Capitol Hill in 2013 on key energy issues.

Reducing Taxes—ACEC achieved a historic win for engineering firms in the 2017 tax reform law. The legislation lowers the corporate tax rate to 21 percent and creates a 20 percent tax deduction for passthrough firms, including S corporations, partnerships and LLCs. In the original House and Senate bills, engineering passthroughs were limited in their access to the passthrough deduction, but after ACEC’s relentless lobbying, the final bill provided engineering firms with full use of the deduction.

The New York Times, *The Wall Street Journal* and other national print and TV media highlighted engineering firms as big winners in the tax bill, compared to other industries, including accountants, doctors, lawyers and financiers,

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subsequent years, each of the Member Organizations adopted the new ACEC brand as their name and by doing so also subscribed to a potentially more effective and mutually reinforcing alignment between the national office and the state organizations.

“When I came to ACEC, relations between state organizations

which did not receive full access to the 20 percent passthrough deduction.

The 2004 passage of the American Jobs Creation Act included a 9 percent tax break for domestic manufacturing companies. ACEC successfully argued that the deduction should apply to engineering firms, as well. “The manufacturers were negotiating for this benefit, and when we found out about it, we said, ‘Wait a minute, we’re in the same situation in the services industry,’” Raymond recalls. “Congress agreed with us, and they gave us the deduction, too. That wouldn’t have just happened automatically. We found the hole, and we ran through it and scored the points.”

and the national organization were strained, and what we’ve tried to do is develop more of a family dynamic, where each part of the organization is bolstered by strengthening another part,” says Raymond.

“Dave has listened to the leaders in the states,” says Alison Davis, executive director of ACEC/Oregon. “If someone has a comment

Eliminating Onerous 3 Percent Withholding

—In 2006, ACEC took the lead of a broad-based repeal coalition—representing more than 100 business and industry organizations—to defeat a law requiring federal clients to withhold 3 percent of payments owed to contractors, including engineering firms.

Although the withholding requirement had been designed to combat tax evasion, ACEC successfully argued that the provision would unfairly punish firms that had done nothing wrong, and create burdensome cash flow problems for both small and large firms.

In 2011, after a long five-year battle, the law was officially repealed.



“What Dave has done is to focus single-mindedly and relentlessly on vital issues for our industry, rather than frittering away time and resources on a range of side matters. This rifle-shot focus has allowed ACEC to play above its weight class with impressive results.”

SERGIO “SATCH” PECORI, ACEC CHAIRMAN

Emphasizing Contracting Out

—In 2000, ACEC led the passage of the Thomas Amendment to the Water Resources Development Act that limited the ability of the U.S. Army Corps of Engineers to compete with private engineering on municipal projects. “The Corps had started to become interested in local utilities work, local school construction and other local projects not within its mission. This was a challenge to the private engineering industry, and we were successful in repelling it,” Raymond says.

The Thomas Amendment was followed up with other contracting out “wins” with state and federal agencies. However, defense of contracting out against union and agency claims that it is cheaper to do engineering work in house is a constant battle for ACEC.

In August 2016, an ACEC-commissioned New York University study—*Engineering Design Costs: In-House versus Contracting Out*—examined the true costs of state DOTs performing engineering design services in-house versus contracting out to private sector firms and found that savings from contracting out can be 20 percent or more. The report is now being used by State Organizations throughout the nation to educate local lawmakers of the inherent advantages of contracting out.



Raymond (left) discusses industry priorities with House Transportation and Infrastructure Committee Chairman Bill Shuster.

Prohibiting Arbitrary DOT Caps on Firm Overhead

—One of ACEC’s most significant legislative accomplishments occurred in 2005 when the Council secured passage of legislation that restricted the ability of State Departments of Transportation (DOTs) to impose arbitrary caps on firm overhead. The legislation also strengthened rules governing the use of Qualifications-Based Selection on projects involving federal funds.

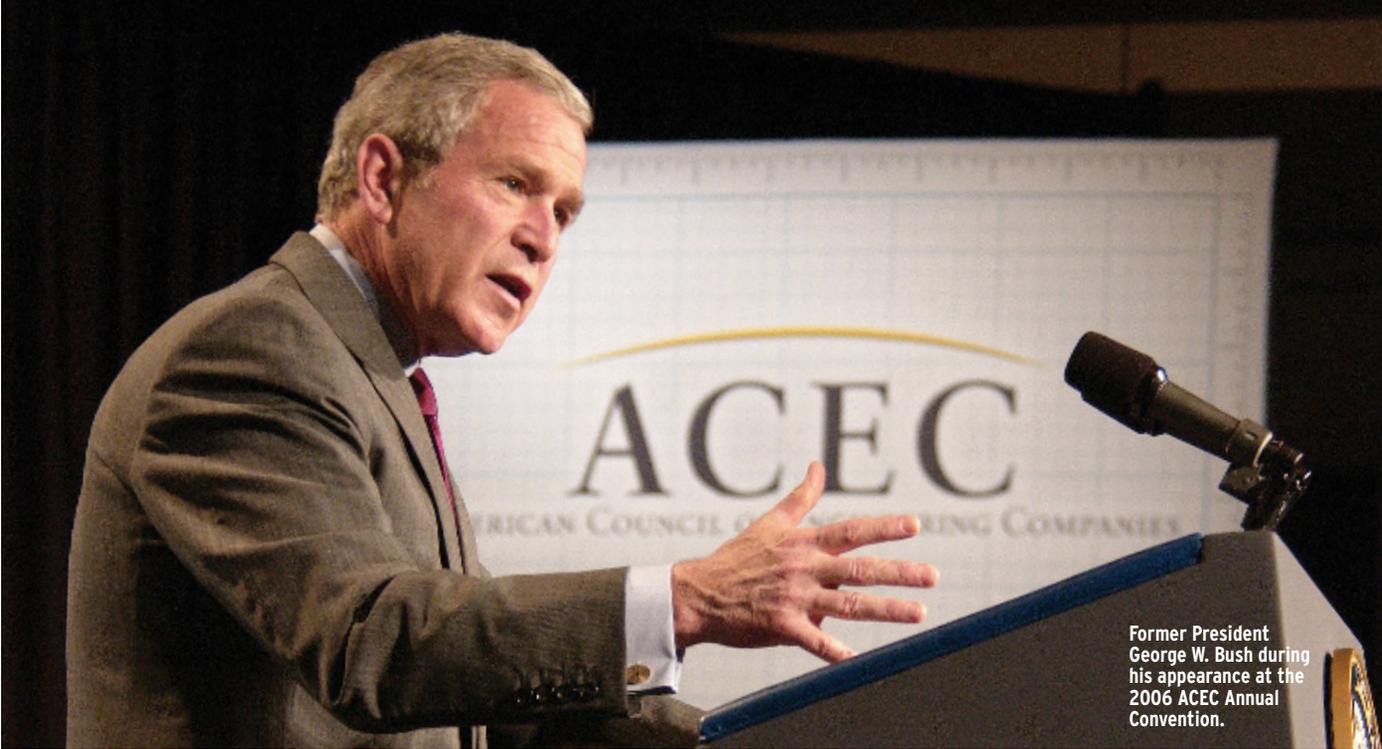
State DOTs are now required to follow standard procurement requirements under the Federal Acquisition Regulations for determining overhead rates, as well as the recognition of a single cognizant audit to apply for all states, thereby prohibiting the establishment of administrative or de facto caps on indirect costs. Despite strong opposition from state DOTs, ACEC convinced Congress of the merits of adopting uniform procurement rules for federally funded transportation projects to ensure compliance for both industry and government.

or a question about something, Dave takes it seriously. He’s really worked hard to make it so that we’re all working together.”

A POWERFUL ADVOCATE

In conversations with ACEC stakeholders about the most sig-

nificant changes during Raymond’s tenure, the topic of political influence is always mentioned. The organization has several specific legislative and regulatory notches on its belt (see “Wins on Capitol Hill”), but there’s also a more general sense that the organization now has the ear of power brokers in Washington,



Former President George W. Bush during his appearance at the 2006 ACEC Annual Convention.

D.C., and in state capitals in a way that didn't exist two decades ago.

"ACEC is viewed as a leader by representatives and senators," says Neimeyer. "A decade ago, they would have just laughed at us and said, 'Who are you?' Now, they know who we are."

Lawmakers also recognize ACEC as a trusted resource when it comes to engineering, says Ronald W. Brenke, executive director of ACEC/Michigan. "I now receive unsolicited calls from members of Congress in my state who would like to talk about various issues affecting our infrastructure. This did not happen 10 years ago," he says.

"Basically, we have doubled our influence on Capitol Hill," says Janice Burnett, executive director of ACEC/Arizona.

ACEC's political influence is bolstered by its political action committee (ACEC/PAC), which under Raymond has grown from around \$100,000 in contributions per year to a previously unthinkable \$1 million—a number reached by the PAC for the past two years—and providing ACEC \$2 million in spending power for each two-year congressional election cycle. ACEC/PAC now ranks in the top 3 percent of all federal PACs nationwide.

"When we got to the halfway point, to \$500,000, people said, 'We'll never be able to raise a cent more, let's just call it a day,'" Raymond notes, "but we said no, we're going to reach our goal."

"I have members who ask why we're involved in lobbying and comment, 'Isn't that a dirty business?' "My answer is, 'No, it's not a dirty business at all.' On the contrary, it's very American. We believe that people who have good judgment, who share our own values, should be helped. That has been the basis for our PAC."

Steve Hall, vice president of government affairs at ACEC, who previously worked for several members of Congress, says he was



Raymond on "NBC Nightly News with Lester Holt" defending engineering firm rights to contract on federal projects without fear of state repercussions.



only vaguely aware of ACEC before joining the staff in 2001. “It didn’t really have a big profile. I think its members probably always understood the importance of lobbying, but probably didn’t appreciate what was possible. We put wins on the board.”

Eric L. Flicker, senior consultant at Pennoni Associates and the Council’s 2003–2004 chairman, praises the organization’s access to key legislators, the White House, and regulatory agencies and says that the group’s political influence extends beyond Washington. “This has translated to remarkable access at the state level, as well as with financial and leadership support for local issues,” he says. “ACEC understands the relationships between federal and state-and-local issues.”



Raymond (second from left) and ACEC Chairman Sergio “Satch” Pecori (right) at the Paris headquarters of SYNTEC, the French engineering business association. Also pictured from the left is SYNTEC Director General Christophe Longpierre and Michel Kahan, chair/CEO of the French firm SETEC.

Raymond (second from the right) took an up-close view of the environmental damage caused by the Deepwater Horizon oil spill in 2010 with T. Baker Smith CEO Kenny Smith (middle).



Success at the state level is also due in part to ACEC’s Minuteman Fund, which supports legislative, regulatory and judicial efforts at the state level. Through a dollar-for-dollar matching program between the national organization and state Member Organizations, the fund, under Raymond, has grown from \$100,000 to more than \$2.5 million.

**ACEC/PAC
grew from
\$100,000
to more than
\$1 million per
year, now in the
top 3 percent of
federal PACs**

ADDING VALUE THROUGH EDUCATION

ACEC stakeholders say that the quality of the organization’s educational programming and annual events has also been substantially enhanced over time. Orrin B. “Mac” MacMurray, chairman of the organization from 2007 to 2008, and chairman emeritus of C&S Companies, says that ACEC’s business management education, highlighted by its Senior Executives Institute (SEI), is “unmatched in the industry.”

ACEC’s education programs featuring in-person seminars, online seminars and a host of specialized coalitions and forums are utilized each year by more than 10,000 members, representing 1,250 Member Firms.

Business Resources and Education Vice President Marie Ternieden pointed to Raymond as a key driver of the Council’s ability to provide business education that makes a difference. “The Council has developed ever-expanding and extensive educational programming, including our recent Pathways to Executive Leadership, and the growth of monthly online classes on a variety of critical and bottom-line focused business topics. We are poised for continued growth and a bright, successful future in educating the next generation of A/E business leaders.”

MacMurray noted that under Raymond, the organization’s communications and public relations efforts also has stepped up its game significantly. “When Dave arrived, the ACEC magazine was adrift and unfocused,” MacMurray says. “Today, *Engineering Inc.* is a national and international award-winning publication that’s admired and respected throughout the design and construction industry.

“Also, 20 years ago, it was rare to see ACEC quoted in the press. Now it happens all the time.”

ANNUAL MEETINGS AND ENGINEERING EXCELLENCE AWARDS

During Raymond’s tenure, the annual Engineering Excellence Awards became the Academy Awards of the engineering industry—blossoming from a 150-person luncheon into a major black-tie Gala Dinner hosted by Hollywood celebrities and attended by more than 750 members and dignitaries from all over the world.

Over the past six years, attendance at ACEC’s Annual Convention has increased 35 percent to over 1,500, a result that Meetings and Conventions Executive Director Michael Pramstaller attributes to vastly improved programming.

“Part of the growth is definitely due to getting nationally

Raymond at a 2014 "Rally for the Roads" event urging increased federal investment in infrastructure. The image captures his nearly 20-year mission at ACEC in fighting for the business interests of Member Firms.



renowned speakers," Pramstaller says. Recent speakers have included historian Doris Kearns Goodwin, former CIA and NSA head Michael Hayden and oceanographer Robert Ballard.

GETTING PRESIDENT BUSH

The biggest "get" unquestionably came in 2006, when then-sitting President George W. Bush delivered a speech at the Annual Convention in Washington, D.C.

"It's very hard to get a president to come," because everybody everywhere is inviting the president to their events," Raymond notes. "The year we got President Bush, we worked with his staff, and they were very knowledgeable about us. His chief adviser, Karl Rove, had even visited with us at the office."

Still, Raymond says, Bush's participation remained in doubt for some time. Initially, the plan was for Bush to make a major infrastructure address, but the administration shifted its focus to health care. "We said, 'Yeah, we're all about health care, he can come here,'" Raymond says. "Then they called back and said,

'No, he's not going to speak about health care, so he really can't come and see you.' So, we asked what he wanted to speak about, and they said he wanted to give an economic address on business conditions.

"I said, 'We're all about business. We're small business, we're large business, we're the best at business,'" Raymond recalls. "Every time they said something new, we said we were that! So, he came and gave his midterm economic address at our convention."

The
**Engineering
 Excellence
 Awards**
 became the
**Academy
 Awards**
 of
 the engineering
 industry



At the 2010 EEA Gala, Raymond (second from right) and 2009–2010 Chairman Tim Psomas (second from left), celebrate the HDR project team for its "onions to energy" facility, which won the Grand Conceptor Award for the year's most outstanding engineering achievement.

“We can all be proud of ACEC’s phenomenal growth and achievements—the product of countless dedicated members and talented staff. I have been blessed with an extraordinary staff, and I credit them with all of our successes.”

DAVE RAYMOND

OVERCOMING SETBACKS

No organization can successfully sail through two decades without experiencing some turbulent seas. For ACEC, those rough waters came with the Great Recession.

“We were hit hard, but not as hard as many other organizations. Some associations went out of business because their members left,” Raymond says. “Even though our Member Firms were reducing staff and our dues income was lower, our firms were not leaving us. We did have to cut some staff, and we tried to do as much of that as possible through attrition. But, unfortunately, we did have to lay some people off, just because there was no other choice.”

Emely says Raymond didn’t arbitrarily make cuts. “He talked to the senior team and the department heads and had us make recommendations on what positions would need to go and why,” Emely recalls.

“It wasn’t forced down on us. We were part of a problem-solving team. We had to make tough decisions, and he supported us.”

Ultimately, Raymond says, ACEC emerged from the recession stronger than before. “As the economy came back, and firms hired more employees, there was an increase in dues to ACEC, as well,” he says. “We used the opportunity for hiring to improve the general competency of our staff. We’ve always hired people who were stronger than their predecessors. We’ve kept that going over a long period of time, so that now, we have a strong organization with a deep bench.”

THE LEGACY THING

By all accounts, Raymond is leaving ACEC stronger than when he arrived. For several consecutive years, independent auditors have praised ACEC’s “well-designed policies, procedures and practices.” During the 2017 audit, analysts called the association’s management “exemplary.”

“I think we have evolved into an organization that provides good value in the many areas our Member Firms consider most important,” he says. “And we’ve helped create a business environment in which our firms can thrive, whether through legislation or educational programs, to help them run a better business. I think we’ve done those things.”

It’s difficult to find anyone who disagrees. “What Dave has done is to focus single-mindedly and relentlessly on vital issues for our industry, rather than frittering away time and resources on a range of side matters. This rifle-shot focus has allowed ACEC to play above its weight class with impressive results,” says current ACEC Chairman Sergio “Satch” Pecori, who is also chairman and CEO of

Hanson Professional Services. Tim Psomas, 2009–2010 ACEC Chairman and chairman emeritus at Psomas says: “I particularly appreciate his laser focus on the vital issues that have propelled the organization forward. Our strong government affairs team and our education programs are also great examples of the legacy Dave leaves at ACEC.”

“Dave has taken every aspect of ACEC and elevated it not just to the next level but even higher,” says Peter Strub, who served as 2016–2017 ACEC chairman, and is senior vice president at TranSystems Corp.

“The accomplishments during his tenure are unprecedented and undoubtedly have positioned ACEC as a leader among professional associations,” says Flicker.

“We’re going to miss him,” says Neimeyer. “He’s led ACEC to new heights.”

With Raymond’s upcoming retirement, a high-level Search Committee led by former chair Gregs Thomopoulos has conducted a wide-ranging national selection process for a worthy successor. Although his act will be a tough one to follow, Raymond is convinced that “because the Council has such extraordinary staff and talented members, the new CEO will be able to get off to a strong start and take the Council to even greater heights.” ■

Calvin Hennick is a business, technology and travel writer based in Milton, Massachusetts.



Dave Raymond (center) with his Management Council Team, from left to right: Mike Pramstaller, executive director, meetings and conventions; Marie Ternieden, vice president, business resources and education; Steve Hall, vice president, government affairs; Melissa Thompson, executive assistant and corporate secretary; Mary Ann Emely, vice president and COO; Leo Hoch, executive director, business relations and membership; Kim Pham, CFO; Alan D. Crockett, director, communications and media; and Charles Kim, general counsel, director, policy and strategic planning.