

**Testimony in Support of SB 642**  
**Ronald W. Brenke, PE, Executive Director**  
**American Council of Engineering Companies (ACEC) of Michigan**  
**American Society of Civil Engineer (ASCE) Michigan Section**  
**9/20/2022**

Good Afternoon Chairman Hauck and members of the Committee. Thank you for the opportunity to testify in support of Senate Bill 642. My name is Ron Brenke and I serve as the Executive Director for the Michigan offices of the American Council of Engineering Companies (ACEC) and the American Society of Civil Engineers (ASCE). ACEC represents more than 100 private engineering companies in Michigan that use their knowledge and expertise to develop innovative, efficient, and resilient designs as we repair and rebuild Michigan's infrastructure. The ASCE Michigan Section represents more than 2,000 Civil Engineers working in the public and private sectors devoted to protecting the public health, safety and welfare by providing clean drinking water, safe and efficient transportation systems, and a reliable energy grid that powers our state's economy.

We are supportive of Senate Bill 642 because this bill establishes a procurement process for design professional services that will result in long term cost savings for Michigan and will ensure that public owners are selecting the right engineering firm for a given project. SB 642 outlines a Qualifications-Based Selection or QBS process that has been proven to eliminate conflicts, reduce construction claims, and improve innovation and collaboration. Currently the Federal government and most states have similar laws that require a QBS process for the procurement of professional engineering, architectural and surveying services. This bill will provide consistency across state agencies and ensure that owners are selecting the best qualified firms to provide safe, innovative designs for Michigan's infrastructure projects.

The QBS process outlined in the bill allows owners to first evaluate design professionals based on their qualifications, past performance, and understanding of a project. Owner agencies will evaluate statements of qualifications submitted by interested firms and then rank the firms. Interviews can also be used by owners depending on the complexity of the project. Once selected, the highest

ranked firm will meet with the owner to develop a mutual understanding of the work involved and the results expected. This provides an opportunity to discuss alternative designs, materials or construction methods that may be used to improve a project. Once a detailed scope of work and reasonable fee is agreed upon, a contract is signed, and work can begin. If the two parties cannot agree on scope and fee, the owner can end negotiations with this firm, and begin negotiations with the second most qualified firm, although this rarely occurs.

A successful project begins with a good design. Although the design fee is typically less than 8% of the construction cost, it can have a profound effect on the rest of the project. Construction extras and overruns and increased maintenance and operation costs can be significant. A QBS process can prevent potential problems and ensure owners are hiring the best qualified firm for a given project.

The QBS process is supported by the American Public Works Association (APWA) as well as the American Bar Association. APWA's policy statement states: "Basing selections on qualifications rather than price protects the public safety, encourages creativity and flexibility, improves the delivery of professional services, increases the value to the owner in construction and life cycle expenses, and minimizes the potential for disputes and litigation."

SB 642 is good for Michigan and will assist owner agencies in hiring the right architect/engineer for the project.

Thank you and I am happy to answer any questions.