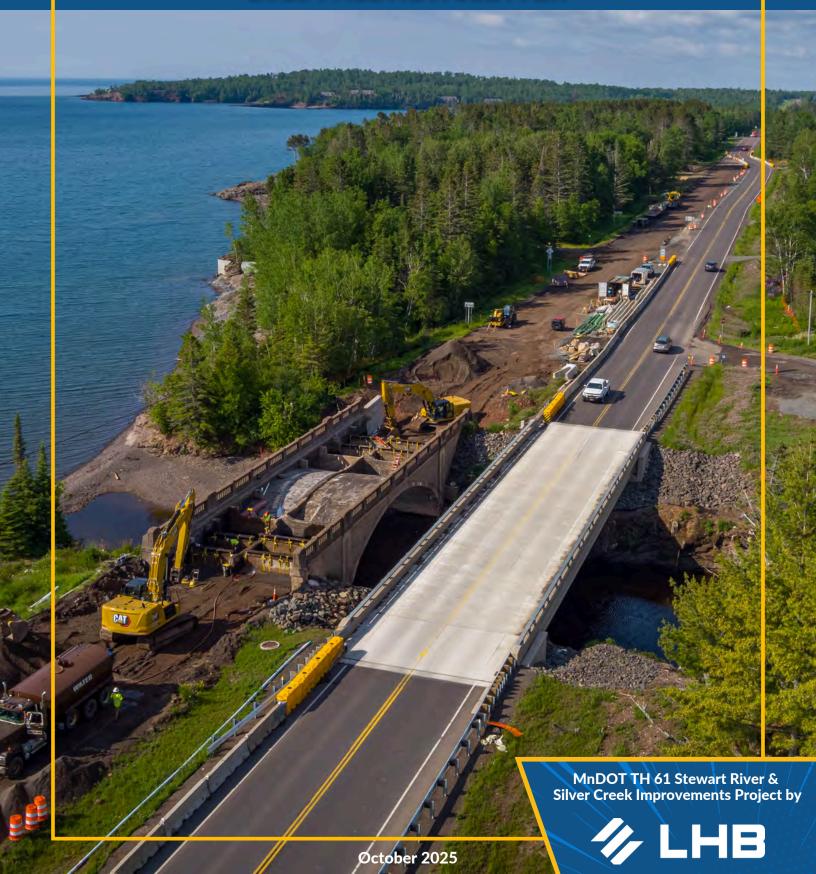
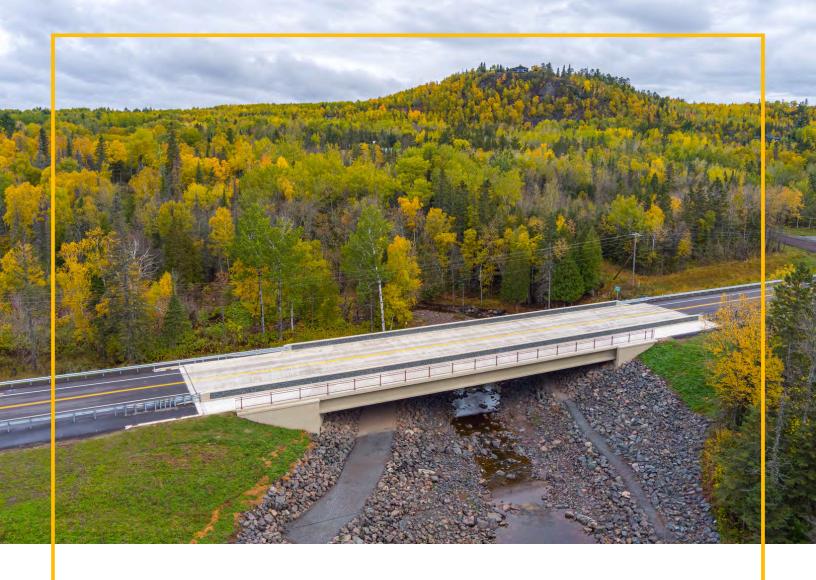
ACEC Minnesota Engineering, Go Figure

2025 FALL NEWSLETTER

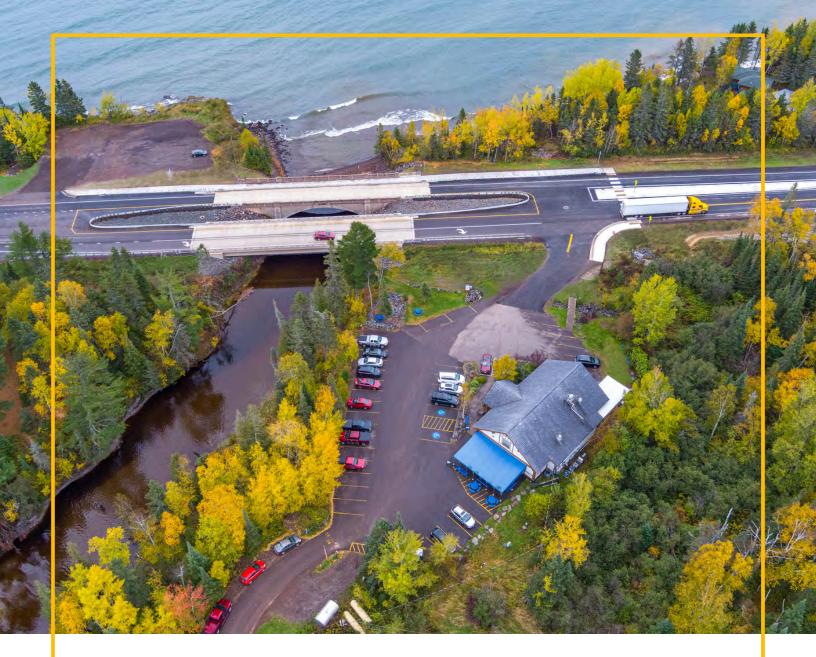




INCLUDED IN THIS NEWSLETTER:

- Member Project: MnDOT TH 61 Stewart River and Silver Creek Improvements Project by LHB
- Letter from Board Chair Bill Forsmark, Barr Engineering
- Member Spotlight: Hallberg Engineering
- MTC&E Sponsorships Now Open!
- Affiliate Insights CLA
- D.C. Executive Fly-In
- News From ACEC National: DBE Rule Change

- Update on MN DBE Program from MnDOT Office of Civil Rights
- ACEC Research Institute: Economic Assessment and Forecast
- 2026 EEA Gala Sponsorships
- EEFA Softball Tournament Recap
- 2025 Photo Contest
- Member News



<u>Cover Project:</u> MnDOT TH 61 Stewart River and Silver Creek Improvements Project by LHB and their project partners, Isthmus Engineering & HDR

Photographer: Christian Dalbec Photography

The Stewart River/Silver Creek Reconstruction project on the North Shore of Minnesota Scenic Highway 61 balances essential infrastructure improvements with historic preservation. Together, the rehabilitated historic Bridge No. 3589 and the new parallel Bridge No. 38019 both over Stewart Creek, improve access to destinations, enhance multimodal use, and increase safety. During peak summer months, a detailed bridge and construction staging plan was implemented to ensure continued access and minimize disruptions to traffic and Betty's Pies. Due to the limited amount of pervious soils near these bridges, their stormwater treatment was combined with the nearby Silver Creek bridge and trout stream restoration initiative and bid together with the Stewart River project for cost efficient construction and minimal site disturbance.



From The Board Chair Bill Forsmark, Barr Engineering Co.

Being Board Chair is a privilege and an honor. I wanted to use this space to share my "Why" story about my engagement with ACEC/MN, and a few highlights of our current efforts.

My professional background and the firm I work for operate mostly in the private sector world and public sector work that is

not focused on transportation. So in 2013, I picked up the phone and spoke with former ACEC/MN Executive Director David Oxley, and began a conversation around "What can ACEC/MN do beyond transportation?"

While transportation is a significant and important part of ACEC/MN, many of our member firms (and other engineering consultants who could be members) provide services in so many disciplines, serving so many client sectors - and ACEC/MN's support for those sectors can draw in a larger membership at the same time. One manifestation of this expanded service is the maturation of our Energy and Natural Resources (ENR) Committee. The ENR Committee was formed to cover issues associated with energy generation, energy transmission, petroleum pipelines, mining, and pulp and paper forestry. I encourage you to look into the ENR committee and how your firm and staff could benefit from this resource.

Speaking of engagement with the ENR Committee, they've organized a great new event that was just added to the calendar: **Navigating the MN & Federal Energy Policy Landscape** - **Panel Discussion with MN Utilities**. The event is set for November 20th in Duluth at the Kitchi Gammi Club, and <u>you can learn more and sign up on our event page linked here</u>.

Two additional highlights:

- 1. **Strong Firms. Smart Solutions. Better Minnesota.** In 2024-25, our Board invested significant time and effort to develop an entirely new <u>strategic plan</u>. The plan incorporates three primary strategic pillars: Advocacy, Leadership Development, and Business Resources. The strategic plan provides the ACEC/MN Board and staff a framework for focus and priority.
- 2. **Leadership Transition.** We have launched a Search Committee to find our new CEO / Executive Director, chaired by Matt Jensen, Kimley-Horn and Jennifer Hildebrand, PE Services. The Board approved a new role description in October, and this is now posted on ACEC/MN's <u>BreezyHR portal</u> and several other sourcing web sites. We are excited to see what this new leadership will bring to ACEC MN.

Sincerely,

Bill Forsmark Chair, ACEC/MN







MINNESOTA TRANSPORTATION CONFERENCE & EXPO

Sponsorships and Exhibitor Booths are available - Click here to sign up and pick your spot!

We can't wait to see you next March!

Long-term financial planning is essential for <u>A&E firms</u> aiming to grow and expand operations. It involves setting financial goals, forecasting future revenues and expenses, and developing strategies to achieve these goals.

By anticipating future financial needs and challenges, your firm can help mitigate cash flow problems and develop resources needed to sustain operations. Long-term planning helps your firm allocate resources strategically, allowing investments in technology, office space, and other capital expenditures to align with growth objectives.





By Peter Loftus & Josh Sherburne, CLA

Insights at a Glance

- Capital expenditures enhance your firms' capabilities and support growth, but must be balanced with operational costs.
- Prioritizing strategic investments, developing comprehensive budgets, implementing phased investment approaches, leveraging financing options, and improving operational efficiency will help your firm achieve sustainable growth while maintaining financial stability.

A well-thought-out financial plan helps your firm identify potential risks and develop contingency plans to address them, reducing the likelihood of financial crises.

Balancing capital expenditures and operational costs

Capital expenditures (CapEx) refer to investments in long-term assets such as technology upgrades, office space, and equipment. These investments can help enhance your firm's capabilities and support growth. However, they must be balanced with operational costs (OpEx), which cover the daily expenses for projects and business operations.

Prioritize investments based on strategic goals

Prioritize capital investments aligning with your firm's strategic goals. For example, if your firm aims to expand services in sustainable architecture, investing in green building technologies and certifications would be a strategic move.

Develop a comprehensive budget

A detailed budget including both CapEx and OpEx is essential for effective financial planning. The budget should account for all anticipated expenses and revenues, providing a clear picture of your firm's financial health.

Continued on the next page

Implement a phased investment approach

Rather than making large capital investments all at once, a phased approach may be a better strategy. This allows your firm to spread out expenditures over time, reducing the immediate financial burden and allowing for adjustments based on project outcomes and market conditions.

Leverage financing options

CLA coaches firms to explore various financing options to support capital investments, such as loans, leases, and grants. Leveraging external financing can help preserve cash flow for operational costs while still enabling necessary investments.

Monitor and adjust financial plans regularly

Financial planning is not a one-time activity. Your firm should regularly review and adjust financial plans based on actual performance, market conditions, and strategic goal changes. This can help your firm remain on track and adapt to new opportunities and challenges.

Improve operational efficiency

Boosting operational efficiency can help reduce daily expenses, freeing up resources for capital investments. Your firm can achieve this by adopting lean management practices, investing in project management software, and continuously evaluating and improving processes.

CLA can help with Financial Planning for A&E Firms

CLA has decades of experience helping A&E firms with financial planning along with assurance, tax, and advisory services. Learn more about how CLA can set your firm up for growth and financial success on <u>our industry team</u> page.

Contact us

Connect with Peter at <u>Pete.loftus@claconnect.com</u> or Josh at <u>josh.sherburne@claconnect.com</u>.

Advocacy Highlight: D.C. Executive Fly-In, September 2-4, 2025

ACEC/MN members travelled to Washington D.C in early September to share the goals and concerns of the Consulting Engineering industry, meeting with nearly every member of the Minnesota Congressional Delegation.

If you'd like to join us for next year's event, keep an eye out on our calendar and email list in Summer 2026, or reach out to Government Affairs Director John Krapek at john@acecmn.org.



Matt Jensen, P.E. - ACEC/MN Board Member, Kimley-Horn

Matt Jensen, P.E. - ACEC/MN Board Member, Kimley-Horn

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Advocacy Highlight: D.C. Executive Fly-In, September 2-4, 2025



Rep. Tom Emmer MN CD 6

It was an honor representing Minnesota's consulting engineering industry in Washington, D.C. It gave us an opportunity for our voices to be heard and allow us to influence policy that matters most to our industry.

Kate Marcotte - Vice Chair, EEFA Board of Directors, AET

Rep. Kelly Morrison MN CD 3

Rep. Brad Finstad MN CD 1

News from ACEC National U.S. DOT announces Major Changes for Disadvantaged Business Enterprise (DBE) Program

U.S. DOT has issued an Interim Final Rule (IFR) that removes the race- and gender-based presumptions of social and economic disadvantage in the federal DBE program. U.S. DOT cites the constitutional arguments and the judge's preliminary ruling in the federal case in Kentucky (Mid-America Milling), among other legal precedents. While acknowledging that the proposed consent decree in the court case is still pending and a final ruling has not been made, DOT states that they have concluded that the rebuttable presumption is unconstitutional and a change to the program is required.

The Interim Final Rule went into effect immediately upon publication in the Federal Register on October 3. There is a 30-day comment period, but DOT cites the unconstitutionality of the current law as justification for moving straight to a final rule to take immediate effect.

Going forward, all applicants will have to provide a narrative and evidence of individualized social and economic disadvantage. This is similar to the changes made to the Small Business Administration (SBA) 8(a) program in response to constitutional challenges.

U.S. DOT guidance on the IFR is here.

Key components of the rule:

- Re-certification: Every currently certified DBE will lose certification and must undergo reevaluation. Firms will be required to submit new documentation and personal narratives to establish eligibility.
- Burden of proof: The burden of proof is on the applicant firm.
- Retention of Personal Net Worth cap and size standards: The rule retains compliance with the PNW cap and alignment with the small business size standards in the current program.
- Suspension of goals: Until reevaluation is complete by the certifying agency, federal funding recipients may not set DBE contract goals or count DBE participation toward existing goals.
- Existing contracts: Nothing in the rule mandates the cancellation of existing contracts. Pending solicitations and procurements may need to be suspended and rewritten.

The rule replaces the terms "race-conscious" and "race-neutral" with "DBE-conscious" and "DBE-neutral". It also replaces the term "discrimination" with "social and economic disadvantage".

There are also changes to record-keeping and recording, goal setting, and how disparity studies are to be conducted.

Continued on the next page

News from ACEC National U.S. DOT announces Major Changes for Disadvantaged Business Enterprise (DBE) Program

As a result of the new rule, to be certified as a DBE, an applicant firm must:

- 1. Demonstrate that the owner is socially and economically disadvantaged based on his or her own experiences and circumstances that occurred within American society, and without regard to race or sex;
- 2. Submit a personal narrative establishing the existence of disadvantage by a preponderance of the evidence based on individualized proof regarding specific instances of economic hardship, systemic barriers, and denied opportunities that impeded the owner's progress or success in education, employment, or business, including obtaining financing on terms available to similarly situated, non-disadvantaged persons;
- 3. State how and to what extent the impediments caused the owner economic harm, including a full description of type and magnitude, and establish the owner is economically disadvantaged in fact relative to similarly situated non-disadvantaged individuals.

Next Steps, Resources & Opportunities to Engage



ACEC/MN's Small Business Subcommittee is closely following this issue and is leading engagement with Minnesota stakeholders. The Subcommittee meets every other month, email john@acecmn.org for your invite!

ACEC National is developing comments to submit to U.S. DOT for consideration based on feedback from member firms. The Council will also seek additional clarity from the department and coordinate with the American Association of State Highway and Transportation Officials (AASHTO) to track state implementation plans.

Several questions and concerns have already been identified, including:

- 1. Will a final ruling in the Mid-America Milling case or other legal challenges change the parameters of the DOT Rule?
- 2. What happens to subconsultants on existing contracts with DBE goals?
- 3. How long will it take for certifying agencies to adjust their programs?
- 4. What evidence will satisfy the new standard for demonstrating economic and social disadvantage, and how subjective will that evaluation be?
- 5. Will the current requirements for interstate certification (i.e. reciprocity) be enforced once states have updated their policies and procedures?

Resources from ACEC National can be found at this link, including archived audio and presentation slides from the Engineering Firms with DBE Certifications: The New U.S. DOT Policy and Next Steps session at the Fall Conference on October 7th.

U.S. DOT has also issued an FAQ on changes caused by the Interim Final Rule at this link.

Update on MN DBE ProgramFrom the MnDOT Office of Civil Rights

This update from the MnDOT Office of Civil Rights (<u>linked here</u>) was released Thursday, October 23rd and provides guidance on how the DBE Program will be administered as a results of federal actions.

The Disadvantaged Business Enterprise (DBE) program is a critical part of ensuring Minnesota has a broad and diverse base of contractors and subcontractors working on federally funded Minnesota Department of Transportation projects. On Oct. 3, the U.S. Department of Transportation announced significant changes to the DBE program and removed race- and gender-based presumptions that have helped small businesses qualify as DBEs since 1983.

In order to comply with this new federal mandate, more than 1,300 businesses in Minnesota will need to be reevaluated and recertified by the Minnesota Unified Certification Program (MnUCP). We recognize the extraordinary burden this places on contractors, consultant partners, and staff at the agencies who participate in the MnUCP. According to the federal rule, MnDOT cannot set DBE goals on contracts or count DBE participation towards its annual goal until the MnUCP completes this process.

MnDOT is taking the following actions to comply with this change and ensure federal funds are not put at risk:

- For contracts already approved and executed, MnDOT will not remove the DBE goals, but also will not count participation until the recertification process is completed. Once the recertification is complete, MnDOT will resume counting participation. MnDOT understands that this interim period may make it difficult for contractors and consultants to achieve their DBE commitments, so contracts will be cleared on a good faith efforts basis as appropriate. Please note that the DBE Description of Work and Field Monitoring Report (Exhibit A) commits the responder to using the specified DBEs to perform work or supply materials. This commitment is binding on the responder unless the responder requests and is granted prior written approval from MnDOT Office of Civil Rights. MnDOT strongly urges prime contractors to follow through on DBE commitments.
- For contracts already awarded before October 3 but not yet approved/executed, MnDOT will not remove the DBE goals, but also will not count participation until the recertification process is completed. Once the recertification is completed, MnDOT will resume counting participation. MnDOT understands that this "interim" period may make it difficult for contractors and consultants to achieve their DBE commitments, so contracts will be cleared on a good faith efforts basis as appropriate. Again, the Exhibit A commits the responder to using the specified DBEs to perform work or supply materials. This commitment is binding unless the responder requests and is granted prior written approval from MnDOT OCR.
- For new contracts advertised/posted after October 3, MnDOT will not set numeric goals and will post addenda to remove goals from contracts posted on or after that date. MnDOT anticipates using a new "DBE Neutral" special provision, replacing what was previously called the "Race/Gender Neutral" special provision.

It is important to note that the DBE program has not been eliminated and that certain obligations remain, such as prompt payment requirements and DBE substitution requirements. This change does not affect on-the-job training requirements, tribal requirements, or workforce goals. This change also does not affect Targeted Group Business goals on projects without federal funding.

The MnUCP is committed to completing its review process as quickly as reasonably feasible. MnDOT will continue to review this direction from the federal government and assess options we have to successfully deliver a multimodal transportation system that maximizes the health of people, the environment, and our economy. Thank you for your continued support of small and disadvantaged businesses.

Sincerely,

Sean Skibbie, Director, Office of Civil Rights

ACEC Research Institute 2025 Economic Assessment

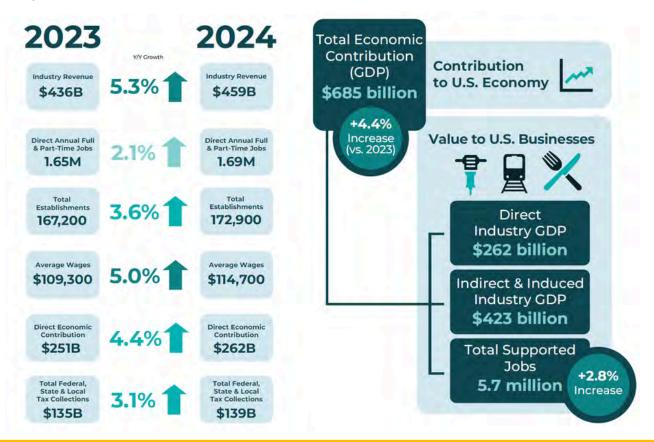
Earlier this October, the ACEC Research Institute released their sixth annual Engineering and Design Services Industry Assessment and Forecast. The ACEC Research Institute first launched the Industry Impact Series in 2020 to analyze the performance of the Engineering and Design Services industry. This updated study continues that effort, highlighting the economic significance of engineering, architecture, and design services in shaping the U.S. built environment.

Conducted by Rockport Analytics, the study uses a mix of public, private, and proprietary data to track industry performance, analyze current market trends, and model future revenue scenarios. The research aims to provide valuable insights for ACEC members to aid in planning, advocacy, and education.



Engineering & Design Services: By the Numbers

This report is packed with data and insights (like the charts below) into where the engineering industry is now, and where it's headed. <u>Click here for the 2025 Economic Assessment.</u>



STEVE PATTERSON IS BACK AS MASTER OF CEREMONIES FOR 2026 AND HE NEEDS TO KNOW - ARE YOU READY FOR THE ENGINEERING EXCELLENCE AWARDS?



WE'LL SEE YOU AT MCNAMARA ALUMNI CENTER NEXT FEBRUARY!

CONGRATUATIONS TO 2025 GRAND CONCEPTOR, QBS, & PEOPLE'S CHOICE AWARD WINNER!



I-35W Underground Stormwater Storage Facility



WILL YOUR PROJECT BE THIS YEAR'S BIG WINNER?

SPONSORSHIPS ARE NOW OPEN FOR THE EEA GALA!

Sponsorships include tickets to the EEA Gala on February 6th, 2026, as well as recognition on EEA event & program pages, at the Gala, even on social media (benefits vary by level).

<u>See this link to our Sponsorship Event Page for all the details</u>, and go ahead and sign up when you're all set!

Special Sponsors receive additional signage at the Gala and have their logos listed first on messages and event pages.

- · Looking to make a splash this year?
- Want to Introduce our MC?

Signing up as our **Presenting Sponsor** includes a speaking opportunity to help kickoff the Gala Program!

Special Sponsorships See event page / brochure for more options	
Presenting	\$7,000
Sponsorship	12 Gala Tickets
Valet	\$2,800
Sponsorship	2 Gala tickets

Tiered Sponsorship Options	
Platinum	\$4,600
Sponsorship	8 Gala Tickets
Gold	\$3,600
Sponsorship	4 Gala tickets
Silver	\$2,200
Sponsorship	2 Gala tickets
Bronze	\$1,600
Sponsorship	1 Gala ticket













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43nd Annual DuWayne "Dewey" Kasma Scholarship Softball Tournament

15 teams came out on Saturday, September 20th to compete at the **43rd Annual DuWayne** "Dewey" Kasma EEFA Scholarship Softball Tournament held at Andrews Park in Champlin, raising more than **\$15,000** for scholarships and workforce development initiatives.

It was a beautiful day for softball and competition was both friendly and fierce, see our bracket winners below and some shots of the action on the next two pages.



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A Bracket - **VAA** emerged as the the overall Tournament Champions winning 6-3 over our second place finisher **SRF**. Congratulations!

<u>B Bracket</u> - **Dunham** clinched their bracket with a 14-5 victory over runners-up **BKBM**.





<u>C Bracket</u> - **Stantec** bested **Sambatek** in a tight 9-8 contest for the bracket trophy.

<u>D Bracket</u> - **SEH** was victorious over **Hallberg** 14-1, winning the bracket.



43nd Annual DuWayne "Dewey" Kasma Scholarship Softball Tournament









43nd Annual DuWayne "Dewey" Kasma Scholarship Softball Tournament









43nd Annual DuWayne "Dewey" Kasma Scholarship Softball Tournament

Thank you to our Sponsors!

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RBI Sponsors



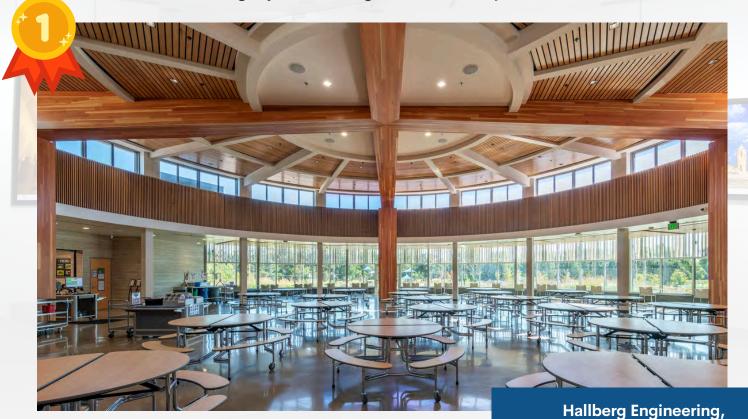
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Thanks for the impressive entries this year members, competition for our top spots was neck-and-neck in several categories with nearly 700 votes cast. You can view these amazing pictures in full screen at this link (click the picture to enlarge). The top picture in each category will be displayed in the ACEC/MN office, so take a look next time you stop by!

Category 1, Building / Vertical Project:





HGA,
Lake Waconia Waterfront Pavilion

American-Indian Magnet School

Widseth,
Digi-Key, Thief River Falls



Category 2, Transportation, Transit, Aviation or other Horizontal Project:



B Line Red Lane



Widseth, **Aerial Mapping with 95West** (tie)



ISG, **Winthrop Second Street Reconstruction** (tie)



Category 3, Water, Environmental, Energy or Other Projects:





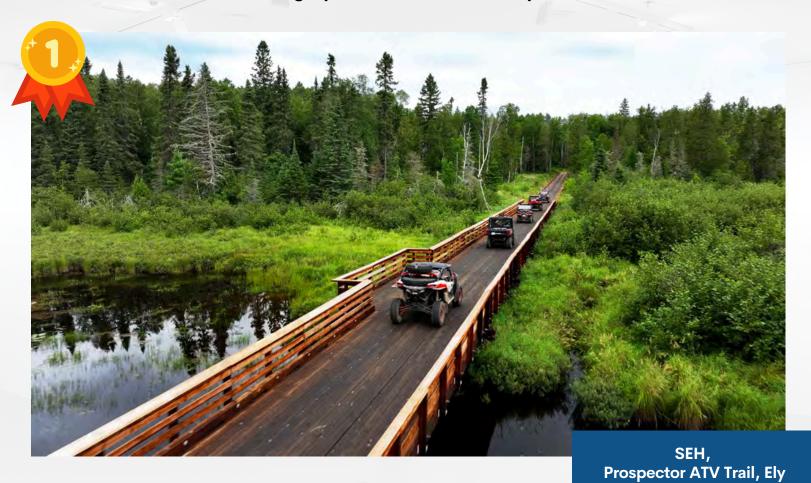




Widseth, Drayton Dam



Category 4, Minnesota Landscapes:





Widseth, Downtown Minneapolis



ISG, Byron High School Athletic Field



Category 5, Human Interest:









ISG,
City of Luverne Childcare Center

Member News for August - October 2025

Click on the items below to read more. You can always find ACEC/MN Member News at https://business.acecmn.org/news. Reach out to kelly@acecmn.org with your firm's news to get on the site and into the next newsletter!

7/22/2025:
KLJ Welcomes Three New
Employees in Minnesota







10/23/2025:

<u>Sambatek Welcomes Mike Zillgitt as</u> <u>a Municipal Practice Leader</u>



Thanks to our members who submitted news this quarter!





Does your firm have a new expansion, acquisition, leader, staff, or just something so good you've got to share?

Don't forget to send your news to kelly@acecmn.org!