



AMERICAN COUNCIL OF ENGINEERING COMPANIES

# Maximizing Private Sector Innovation

## ISSUE

Despite the fact that the United States is home to the world's best engineering firms and talent, efforts continue at the federal and state levels to limit the ability of public agencies to enlist the capabilities of America's engineering industry.

Last year, the Administration and OMB released government contracting guidance that seeks to replace engineering firms and other service contractors with in-house employees. In addition, legislation is pending in Congress – HR 2104 – that would prevent state departments of transportation from turning to engineering firms to provide critical construction inspection services.

America's engineering companies play an essential role in helping public agencies deliver and upgrade the nation's critical infrastructure – to reduce congestion on the nation's roads and bridges, provide clean drinking water to consumers, develop energy-efficient and sustainable buildings, and enhance the security and safety of the public.

Agencies that contract with engineering firms are able to acquire unique capabilities, adapt quickly to economic conditions and fluctuating workloads, ramp up their programs when funds are available, and ramp down when funding cycles demand savings. By contrast, government policies that require the use of in-house engineer workforces stifle innovation and competition, limit experience application, and dampen economic growth.

## KEY POINTS

- Public agencies should not be limited in their ability to engage the private engineering industry in addressing engineering challenges; government procurement policies should encourage, not discourage, the use of the private sector.
- America's energy independence, transportation mobility, access to clean water, response to climate change, safety and security, energy savings, and other public policy priorities depend upon the innovation of America's engineering industry.

## ACTION REQUESTED

Oppose efforts – such as the Administration's government contracting guidance and HR 2104 – that restrict the ability of federal and state agencies to contract out for engineering services, and promote policies that maximize the use and innovation of America's engineering industry.