

News Release

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MTF Report Finds Design Procedures for Public Projects Filled with Red Tape and Costly to Taxpayers

Citing sharp differences between private sector and public sector practices in building construction and design, the Massachusetts Taxpayers Foundation (MTF) today released a report on the state's procurement rules and regulations for design services. The study concludes that architectural and engineering selection and management procedures for public projects are burdened with red tape and bureaucracy, and most important, result in a large waste of taxpayer dollars.

The report, entitled [A Taxpayer's Look at a Sacred Cow: Public Sector Design in Massachusetts Two Decades after the Ward Commission](#), finds that current practices invite poor construction quality, discourage design innovation, create unnecessary paperwork for designers and state agencies, delay project completion and raise overall project costs.

Current public sector design procedures in Massachusetts descend from the Ward Commission, formed in the 1970's after a series of scandals in the design and construction of public buildings. While the Commission's basic goals remain sound, the report finds that the procedures for selecting and managing architectural and engineering firms which have evolved over the last two decades are wastefully complex and do not serve public interest.

"It has been almost 20 years since any independent group has reviewed the implementation of the Ward Commission recommendations," said Michael J. Widmer, President of the Massachusetts Taxpayers Foundation, "These findings clearly demonstrate that with a reasonable mix of good practice and prudent safeguards, Massachusetts can benefit from public design and construction which is of the highest quality, cost-effective and corruption free."

To reform current selection and oversight practices, the report recommends the following:

- C Simplification of Auditing and Payment: Institute a single state audit for design firms. Presently, redundant multiple audits are conducted by many state agencies for the same firm, with each agency using the same auditing standards. payments should be made using fixed price contracts for design services rather than elaborate and costly "time and expense" contracts. A simplified payment and audit process will eliminate mountains of red tape, unnecessary paperwork and high administrative costs.
- C Don't Bid Design Contracts on Cost Basis: Select designers based on professional qualifications and experience. Selection of designers based on lowest bid only encourages minimal effort and often discourages the most qualified people from bidding.
- C Elimination of Micro-Management: While reasonable incentives to limit costs are appropriate, the state should not micro-manage design firms with caps on overhead rates and workers' pay. these only serve to discourage designers from investing in state-of-the-art equipment and eliminate the best qualified and most experienced designers.
- C Fewer Delays and Better Supervision: Project supervision should be delegated more often to the "user" agency, and agency heads and construction managers should be given reasonable authority to make decisions in a timely fashion. Delays are costly.
- C Reduce the Red Tape: Reduce the voluminous required paperwork for state invoices and proposal submissions. A typical monthly state invoice is three inches thick. A comparable one for a federal project is three pieces of paper. Processing all that paperwork raises everyone's costs, especially the taxpayers'.

The report was commissioned by the American Consulting Engineers Council (ACEC) of New England, the Boston Society of Architects and other professional design organizations representing over 350 corporate members and 30,000 practicing professionals in Massachusetts.

"An examination of the current public sector design procedures reveals that reform is not only necessary from the taxpayers' perspective, but it is directly in keeping with the original goals of the Ward Commission -- to create a public contracting system that allows for high quality and less costly projects," said ACEC President Bill Rizzo. "I commend the Massachusetts Taxpayers Foundation for its in-depth analysis."

Copies of the full report may be obtained from the Massachusetts Taxpayers Foundation.