

ENGINEERING SERVICES • PHILIPPINES

The deliverable-acceptance standard: the executive economics of engineering services outsourcing to the Philippines.

An analysis of why hours billed is a volume vanity metric, how deliverable acceptance and code compliance — never engineering throughput — decide the true cost of an offshore engineering hub once rejected deliverables, RFIs, rework, and stamp risk are counted, and the vendor-selection discipline that produces work the engineer of record can accept and stamp.

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AUGUST 2026
MANILA • ESTABLISHED 2001

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ABOUT THIS SERIES – VOLUME 38

Every offshore-engineering proposal is priced per hour or per seat, because time is easy to count. This volume is about the only engineering outcome a project actually depends on: the deliverable built to code and standard, checked across disciplines, and accepted by the engineer of record without a rejection or a stack of RFIs. The gap between billing an engineering hour and delivering work that gets accepted and stamped is where rejected drawings, RFIs, and rework live. The full series lives at piton-global.com.

About the authors



John Maczynski

Chief Executive Officer

John has bought engineering capacity for three decades, and learned that the fast hub that bills every hour and hands back drawings the engineer of record rejects is the most expensive one a firm can hire — because a rejected deliverable is a schedule slip, a stack of RFIs is senior-engineer time consumed, and a code miss that reaches a stamp is liability nobody priced. His standing question ignores the timesheet: of the hours you billed, how many produced deliverables the EOR accepted and could stamp? Applied at PITON-Global, that question is what clients get on every engineering sourcing decision — personally, with no account layer in between.

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Ralf has spent twenty-five years building Philippine engineering-support floors, and he judges a hub by its deliverable-acceptance rate and RFI load, not its billed hours: whether the drawing package was built to code and accepted first pass, or bounced back for rework. The engineering contract in Section 3 codifies what he learned rebuilding hubs that billed hours fast and delivered work that would not pass review. He now reads engineering providers the way he once ran them — from the rejection log and the RFI rate backward.

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ABOUT PITON-GLOBAL

PITON-Global is a buyer-side advisory practice, Manila-based since 2001, that has never operated a delivery floor or taken a placement commission. Its stock-in-trade is knowing the Philippine provider market at the operating level — 1,000+ mapped operations, re-verified continuously, including each engineering hub's real deliverable-acceptance rate and RFI load rather than its billed-hours headline — and converting that knowledge into a shortlist of six to ten genuinely qualified partners per engagement. Buyers from Tripadvisor, Garmin, TSYS, HealthPartners, Yetipay, Workrise, and Norman Disney & Young have run their searches through the practice.

SECTION 01

Executive summary

-58%

Fully-loaded cost per accepted, stampable deliverable vs. US onshore

98%+

First-pass deliverable-acceptance rate on vetted hubs, up from 78–88%

-64%

Reduction in RFIs and rework cycles on vetted hubs

6.3×

First-year ROI, reconstructed case (Section 6)

An offshore-engineering engagement is bought on the hourly rate and paid for on the deliverables it gets rejected. The hub reports thousands of engineering hours at a fraction of the onshore rate; the firm finds the drawing packages the engineer of record sent back, the RFIs multiplying because the design did not resolve across disciplines, the code references that were wrong for the jurisdiction, and the senior engineers redoing offshore work instead of relying on it. The hub billed its hours and the firm inherited schedule slips, an RFI backlog, and stamp risk it did not price. The gap between billing an engineering hour and delivering a package the EOR accepts is where the real cost of cheap engineering hides, because a rejected or non-compliant deliverable is not throughput delivered — it is rework acquired and professional liability taken on.

The Philippines — with a large, English-fluent, board-examined engineering workforce trained on international codes and the major CAD/BIM platforms — is where engineering services are delivered with the most deliverable-acceptance discipline, because that workforce can run the build-to-standard, cross-discipline checking, and stampable-package QA that acceptance demands. Five findings:

- 1 Hours billed is the industry's most flattering number.** Any hub can log time and hand over drawings. Vetted hubs are measured on outcome: deliverable acceptance, code compliance, and RFI load. Weak providers quote a low rate the firm repays in rejections, rework, and stamp risk. Section 2 shows the gap.
- 2 The accepted, stampable deliverable, not the billed hour, is the product.** A package the EOR can stamp comes from building to code and standard, resolving the design across disciplines, and QA-checking it stampable — not from logging hours against a task. Hubs that build to standard get accepted first pass; hubs that bill loosely generate rejections and RFIs that cost more than the hours saved.
- 3 A rejected deliverable cuts both ways — schedule and liability.** A package bounced for rework slips the schedule and burns senior-review time; a code miss that slips through to a stamp is professional liability the firm carries. Vetted hubs hold acceptance above 98% precisely because both tails cost — the delay on rework and the risk on a bad stamp.
- 4 The RFI load and the rework, not the hour, are what cost.** A deliverable done wrong costs the RFI cycle, the senior-engineer rework at onshore rates, and the schedule slip — many times the hourly saving. Hubs that build to standard cut RFIs and free senior capacity, and that reclaimed capacity — not the offshore rate alone — is where the case study's return is built.
- 5 Contract on the accepted deliverable, not the billed hour.** The contracting failure of engineering services is paying by the hour and hoping the deliverable passes review. Vetted deals price against acceptance-rate floors, RFI-load ceilings, and code-compliance standards, making the stampable package the hub's problem, which is where it belongs.

The intended reader is a VP of engineering, principal, or engineering-operations director buying offshore engineering by the hour and paying for it in rejections, RFIs, and stamp risk. Sections 2–4 separate the hubs that get deliverables accepted from the hubs that bill hours; Sections 5–7, the method and the proof.

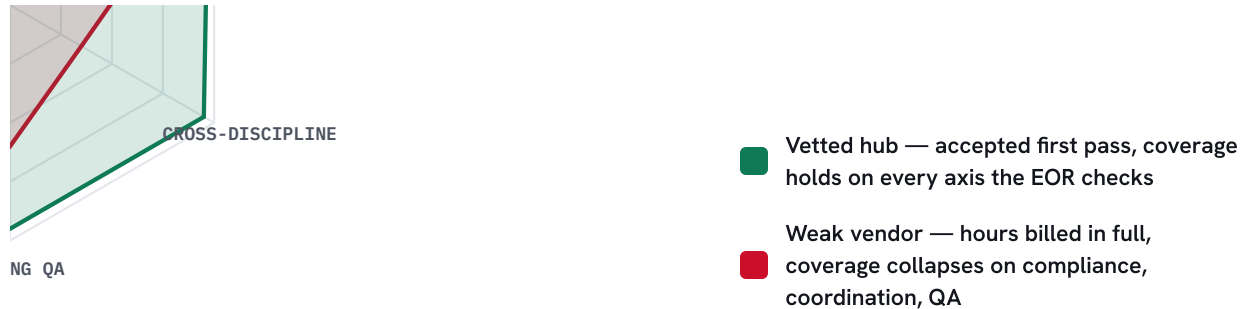
SECTION 02

The volume mirage: hours billed versus deliverables accepted

Figure 1 reads one project's engineering output as a discipline-coverage radar — how completely the deliverable resolves across the six axes an engineer of record checks before accepting it. The billed-hours number is identical in spirit to a chatbot's containment rate: a figure engineered to look like output while a

weak hub's coverage collapses on the axes that decide acceptance.

FIG. 1 — ONE PROJECT'S DELIVERABLE: DISCIPLINE-COVERAGE RADAR, VETTED HUB VS. WEAK VENDOR



Every hour was "billed" — but the weak vendor's package fails on the three axes that decide acceptance, so it bounces back as a rejection and a stack of RFIs.

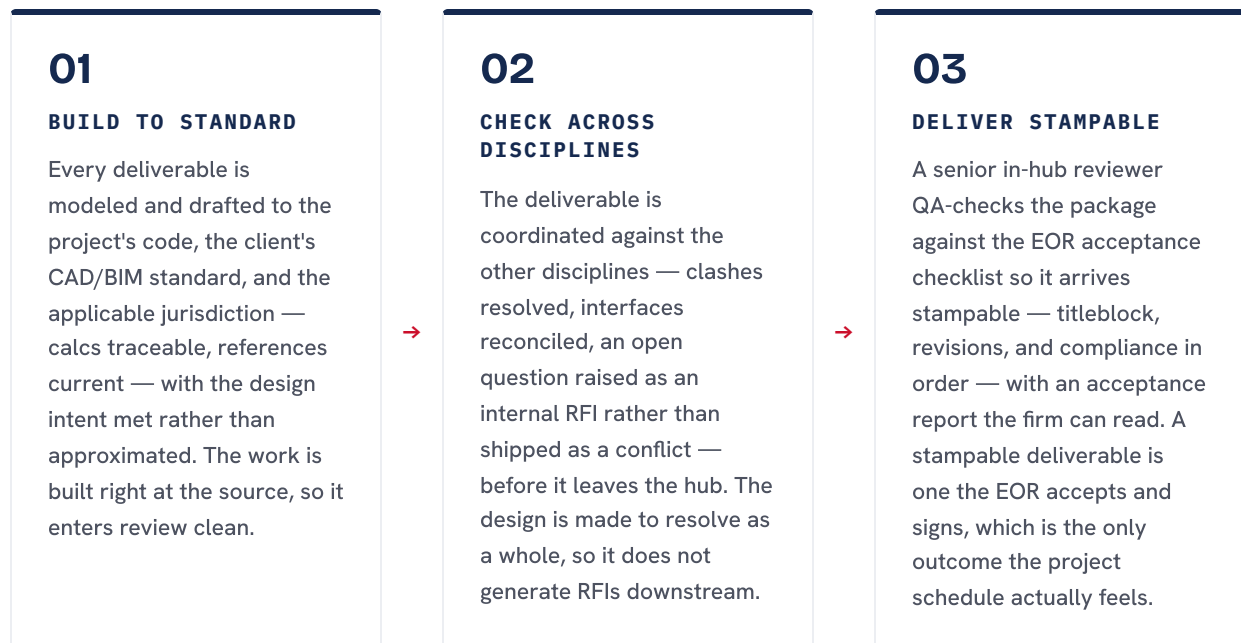
Left: PITON-Global engagement instrumentation, 2025-26, coverage scored on EOR acceptance checklists. Axes scored 0-100%. Right: composite of pre-engagement vendor reporting reviewed in diligence.

The economics follow the coverage, not the hours. On the green polygon, the deliverable resolves across all six axes, so the EOR accepts it first pass and stamps it; on the red, the hours are billed in full but coverage collapses on code compliance, cross-discipline coordination, and drawing QA — the three axes that decide acceptance — so it bounces back as a rejection with RFIs attached. A low hourly rate that produces a package that fails review is not a saving; it is rework and stamp risk, delayed and compounding. The deliverable-acceptance audit — coverage on every axis the EOR checks — is the cheapest due-diligence instrument in this paper.

The engineering contract: build to standard, check across disciplines, deliver stampable

Figure 2 lays out the three clauses of a working engineering contract as a staged review-gate pipeline — each gate a deliverable must clear before it reaches the engineer of record, and the machinery a floor read verifies before any hourly rate is believed.

FIG. 2 — THE ENGINEERING CONTRACT, AS A STAGED REVIEW-GATE PIPELINE



↓ clears the gate ↓

THE ACCEPTED, STAMPABLE DELIVERABLE

98%+ FIRST-PASS ACCEPTANCE

CODE-COMPLIANT

STAMPABLE

Deliverables are built to standard, coordinated across disciplines, and QA-checked stampable — so rejections and RFIs fall, the schedule holds, and senior engineers stamp rather than rework. The hub gets cheaper per accepted deliverable and de-risks the stamp at the same time, which is the entire promise of outsourcing engineering to people who measure deliverable acceptance, not hours billed.

Operating parameters from PITON-Global engineering-services engagements, 2025-26. Offshore engineers work under the client's engineer of record; nothing here substitutes for licensed EOR judgment or the stamp.

In diligence, the contract is tested from the EOR's side: pull a sample of delivered packages and re-check them against the acceptance checklist and the governing code to measure true first-pass acceptance; read the RFI and rejection logs; interview on how they resolve a cross-discipline conflict. Perhaps one hub in ten survives it cleanly. Steps 3 and 5 of the framework exist to find that one before the contract does — because everything in Table 3 of Section 6 depends on deliverable acceptance, not hours billed.

SECTION 04

Cost and performance: cost-per-accepted-deliverable economics and benchmarks

TABLE 1 – FULLY-LOADED COST PER ACCEPTED, STAMPABLE DELIVERABLE: THREE OPERATING MODELS (2026)		
OPERATING MODEL	COST / DELIVERABLE	VS. US BASELINE
US onshore in-house engineering team	\$1,420	baseline
Low-cost offshore engineering mill (per-hour)	\$980	-31%
Vetted Manila hub — accepted, stampable	\$596	-58%

Basis: PITON-Global engagement pricing 2025-26; cost per accepted, stampable deliverable = fully-loaded operating cost divided by deliverables accepted first pass and stampable (rejected and reworked excluded); the engineering mill looks cheap per hour but rejections, RFIs, senior-review rework, and stamp risk lift its true cost per accepted deliverable; US comparator fully-loaded in-house cost for a comparable drawing/calc package.

TABLE 2 – ENGINEERING-SERVICES BENCHMARKS, VETTED VS. BASELINE (2025-26)

METRIC	VETTED TOP TIER	BASELINE	EXECUTIVE READING
First-pass deliverable-acceptance rate	98%+	78-88%	The only engineering number schedule follows
Code-compliance rate	99%+	86-93%	Stampable, or a liability on the stamp
RFI & rework load vs. baseline	-64%	baseline	"Check across disciplines" — held or not
Deliverable turnaround vs. baseline	-42%	baseline	On the critical path, or holding it up
Senior-engineer capacity reclaimed	+29%	baseline	Time on stamps, or on rework

Source: PITON-Global engineering-services engagement data 2025-26; baseline = typical pre-engagement operations billed on hours.

The strategic read: the engineering mill's -31% per hour is a false economy — rejections, RFIs, senior-review rework, and stamp risk lift its true cost per accepted deliverable far above the hourly gap, and a schedule slip on the critical path is a cost no rate recovers. The vetted Manila hub's -58% is real because it is measured where the value is: the deliverable built to standard, coordinated across disciplines, that the EOR accepts and stamps. Buy on hours billed and you buy the red polygon of Figure 1; buy on cost-per-accepted-deliverable and you buy deliverable acceptance — the same discipline every volume in this series keeps arriving at from a different door.

SECTION 05

Sourcing discipline: the 7-Step Vendor Vetting Framework, applied to engineering services

Engineering diligence adds one hard requirement to every step: an hourly rate is real only when the deliverable-acceptance rate behind it survives a re-check against the EOR acceptance checklist and the governing code. The funnel below is representative of a 40-90-seat offshore-engineering-hub search.

FIG. 3 – THE 7-STEP FRAMEWORK AS AN ENGINEERING-HUB FUNNEL

STEP	WHAT IT ELIMINATES IN AN ENGINEERING SEARCH	FIELD REMAINING
1 Requirements definition	Hours-first scoping: fixes the deliverable-acceptance floor, the code-compliance target, the RFI-load ceiling, and the turnaround the hub must meet by discipline	1,000+
2 Market mapping	Engineering mills: hubs that bill hours and treat rejections and RFIs as the client's problem, and generalist floors with no licensed engineers or discipline depth	~44
3 Capability screening	Hubs without the machinery: board-examined engineers, audited acceptance history, a cross-discipline-coordination and QA workflow, CAD/BIM-standard fluency, and coverage across your disciplines	~13
4 Compliance & security audit	Weak governance: IP and drawing-data protection, ITAR/export-control alignment where relevant, access controls on the CAD/PLM systems, SOC 2 scope covering the engineering stack	~7
5 Operational diligence	The re-check: re-check a sample of delivered packages against the acceptance checklist and code for true first-pass acceptance; read the RFI and rejection logs; interview on how they resolve a cross-discipline clash	4–6
6 Competitive RFP & negotiation	Hourly pricing: finalists bid against acceptance-rate floors, code-compliance targets, and RFI-load ceilings — all carrying credits for deliverables that come back rejected	2–3
7 Transition & launch governance	Cold start: the hub calibrates against your CAD/BIM standard, code basis, and disciplines on a pilot package before it owns production, with the acceptance floor certified before steady state, PITON-Global embedded buyer-side	1

Field-remaining counts represent a 40-90-seat offshore-engineering-hub search, PITON-Global engagements 2024-26.

The standing guarantees hold: **vendor neutrality** — PITON-Global operates no engineering floors, produces no deliverables, and takes no placement economics, so the shortlist reflects audited deliverable-acceptance performance, not inventory; **right-sizing** — hubs for whom your operation is a flagship account. Six to ten genuinely qualified providers, delivered within 48-72 hours, free to the buyer, competing through a fully transparent, fair, comprehensive, and highly competitive RFP.

Re-basing the hub on deliverable acceptance: a 64-seat offshore engineering rebuild, reconstructed

Engagement EN-065 is a US multi-discipline engineering firm — running roughly 22,000 deliverables a year across structural, mechanical, electrical, and civil offshore — that had built an offshore hub on a per-hour vendor. The rate was excellent; the deliverables were not: first-pass acceptance sat near 82%, RFIs were multiplying, senior engineers were reworking offshore packages at onshore rates, and a code miss had nearly reached a stamp. The VP of engineering wanted the leverage without the rejections and the stamp risk. Identifying details are anonymized under NDA.

SELECTION (WEEKS 0-8, RE-CHECKS)

Requirements fixed a 98% deliverable-acceptance floor, a 99% code-compliance target, and an RFI-load ceiling, with a mandatory cross-discipline-coordination and stampable-QA workflow. Mapping produced 44 claimants; the machinery screen — board-examined engineers, audited acceptance, coordination/QA, CAD/BIM-standard fluency — left 13; the IP-and-compliance audit left 7. Blind re-checks of each finalist's delivered packages against the acceptance checklist shortlisted 5. A Manila hub won priced against acceptance and RFI load, with a re-check written into the reporting spec.

TRANSITION (MONTHS 2-7, CALIBRATED FIRST)

The hub calibrated against the firm's CAD/BIM standard, code basis, and disciplines on pilot packages before owning production; the acceptance floor was certified in month 3. The coordination-and-QA loop fed engineer feedback from day one. By month 7 first-pass acceptance reached 98.1%, code compliance hit 99%, RFIs and rework fell 64%, and turnaround dropped 42%. PITON-Global chaired the deliverable-acceptance review board to steady state.

TABLE 3 – EN-065 FIRST-YEAR VALUE BUILD-UP (US\$)

VALUE COMPONENT	YEAR 1	BASIS
Labor arbitrage on the 64-seat engineering hub	\$2.62M	120.0k productive hrs × (\$31.30 – \$9.50)
Senior-engineer capacity reclaimed (rework removed)	\$0.88M	Onshore review hours returned from rework
Schedule & stamp-risk exposure avoided	\$0.34M	Delay and code-miss exposure removed
RFI-handling & rework reduction	\$0.18M	Lower RFI-cycle and rework load vs. baseline
Gross value created	\$4.02M	
Less: engagement & transition costs	(\$0.64M)	Calibration, pilot packages, CAD/BIM-standard integration; advisory fee \$0 (provider-paid model)
Net value ÷ cost = first-year ROI	6.3×	\$4.02M ÷ \$0.64M

Figures rounded; acceptance, compliance, and RFI effects audit-verified. Method in Methodology & notes.

Sixty-five percent arbitrage, thirty-five percent from reclaimed senior capacity, avoided schedule and stamp exposure, and reduced RFIs — a typical split for the series, earned because the hub was re-based on deliverable acceptance rather than billed hours. Every line traces to a diligence step: the acceptance floor to Step 1, the acceptance-based pricing to Step 6, the coordination-and-QA workflow to Step 3's contract. The VP of engineering's line at the year-one review: "The rate barely moved. What moved is that the packages come back stampable — my seniors stamp them instead of redrawing them."

SECTION 07

The executive playbook: governance for the first 180 days

An engineering transition succeeds when the hub is measured and paid on deliverable acceptance and code compliance — client in command throughout.

DAYS 0-30**Define acceptance,
contract on it**

Set the deliverable-acceptance floor, the code-compliance target, and the RFI-load and turnaround thresholds with engineering leadership before launch, and document the CAD/BIM standard, code basis, and acceptance checklist by discipline. Contract against acceptance and code compliance — never per hour alone — with floors and ceilings carrying credits. Stand up the re-check against the acceptance checklist as the program's arbiter of truth.

DAYS 30-90**Calibrate the hub,
prove the floor**

Calibrate the hub against your CAD/BIM standard, code basis, and disciplines on pilot packages before it owns production; certify the acceptance floor and the coordination-QA loop. Switch on the cross-discipline-checking loop from day one. Publish the engineering dashboard: acceptance rate, code compliance, RFI load, turnaround, senior capacity reclaimed.

DAYS 90-180**Own production,
certify steady state**

Hand production deliverables to the hub only after it holds the acceptance floor and code-compliance target, always under the client's engineer of record. Review the acceptance board monthly with the RFI and rejection logs on the table. Certify steady state on two months at floor across disciplines; hand over on documented criteria; keep the quarterly re-check standing.

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Paying by the hour while deliverables get rejected · logging hours instead of building to code and standard · shipping cross-discipline conflicts as downstream RFIs · letting a code miss reach a stamp · owning production before acceptance is proven. All five are settled at selection and contract.

The engineering-services argument, in one sentence: a billed hour is time and an accepted deliverable is a package the engineer of record can stamp and a schedule that holds, and a vetted Philippine hub delivers -58% cost per accepted, stampable deliverable with a 98%+ first-pass acceptance rate and RFIs cut by nearly two-thirds — for buyers who re-check the acceptance instead of counting hours billed, and compete the finalists through a fully transparent, fair, comprehensive, and highly competitive RFP. Anyone can bill an engineering hour. We make sure you buy the hub whose deliverables the engineer of record can stamp.

How the numbers were built

Acceptance and RFI figures (Fig. 1, Table 2) derive from engagement instrumentation in PITON-Global engineering-services engagements, 2025-26. Deliverable acceptance and code compliance are measured by re-checking a sample of delivered packages against the EOR acceptance checklist and the governing code; RFI load, turnaround, and senior capacity reclaimed are measured against the client's pre-engagement baseline. The weak-vendor column is a composite of pre-engagement vendor reporting reviewed in diligence, shown for contrast.

Cost-per-accepted-deliverable figures (Table 1) are fully loaded — wages, benefits and statutory charges, facilities, CAD/BIM/PLM tooling and licenses, management and QA overhead including senior reviewers and coordination leads, attrition-driven recruiting — divided by deliverables accepted first pass and stampable, with rejected or reworked deliverables excluded from the denominator; US comparators reflect fully-loaded in-house cost for a comparable drawing/calc package. An accepted, stampable deliverable is built to code and standard, coordinated across disciplines, and accepted by the engineer of record.

The case study (EN-065) is anonymized under NDA; volumes and dates are generalized, figures rounded. Acceptance, compliance, and RFI effects are audit-verified; the capacity-reclaimed line reflects senior-engineer hours returned, and the exposure-avoided line is a conservative estimate. $ROI = \text{net first-year value} \div \text{all engagement-related client costs}$. PITON-Global's advisory fee is provider-paid and appears at \$0 in the client cost base; neutrality safeguards are documented at piton-global.com.

Market context draws on IBPAP reporting and PITON-Global's proprietary provider mapping (1,000+ operations; deliverable acceptance and RFI performance re-verified May 2026). Offshore engineers support, and never replace, the licensed engineer of record; the stamp and its liability remain with the client's EOR. Estimates and projections are PITON-Global analysis and should be cited as such. The full series is available at piton-global.com.



Would your hub's hourly rate survive a deliverable-acceptance re-check?

Thirty minutes with John will tell you. Free to buyers, strictly vendor-neutral — an acceptance-verified shortlist within two to three business days.

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