



December 2007

News Update

The Newsletter of the UpCountry South Carolina Section,
AACE International

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President's Message

Well the Holiday Season is upon us as we near the end of another year. I wish all of you and your family the best.

As we get full swing into the Holiday spirit, or maybe you are lucky enough to have completed everything and are just kicking back, how many of you are using your knowledge of Project Controls to get you through the Season? Getting the Christmas decorations up, writing and mailing the cards and buying and wrapping the presents can be a daunting process unless you have a plan. This is the basic principals of Project Controls!

I assume that a lot of us plan and prepare budgets for the Holiday season. But for those of you that don't think you do, just reflect upon the things that you do and the bases for your decisions as you perform the necessary Holiday tasks and purchases.

The schedule is fixed and so starting on December 26, you have 365 days to get ready for the following Christmas. But having enough funds to begin the procurement process may be a problem if you didn't adhere to your budget plan and need the first half of the new year to pay for the past Holiday Season. But besides maybe having insufficient funds, the biggest reason for delaying the procurement process is Changes. You never know what the latest fad, gimmicks or needs will be in 10 to 12 months. So knowingly or unknowingly, we delay our Schedule for the Holiday Season until we have defined better the scope (presents) that will be required to attain a satisfactory conclusion (happiness for all).

Have a Merry Christmas, Bob Boyd, PSP

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Section Announcements

Certification!!

AACEI now offers 6 certifications.

1. Interim Cost Consultant Certification (ICC)
2. Certified Cost Consultant (CCC) / Certified Cost Engineer (CCE)
3. Planning and Scheduling Professional Certification (PSP)
4. Earned Value Professional Certification (EVP)
5. Certified Portfolio, Program & Project Management (C3PM)
6. Certified Forensic Claims Consultant (CFCC)

For descriptions and requirements regarding each of these certifications go to the AACEI web page (<http://www.aacei.org/certification/certExplained.shtml>).

Contact Chris Swanson (chris.swanson@fluor.com) if you have any questions or need assistance regarding any of the certifications mentioned above.

Certification Workshops:

None scheduled locally.

AACEI Announces 2nd Beta Exam for Certified Estimating Professional

A distinguished task force of industry experts from both private and public sectors is currently developing AACE International's Certified Estimating Professional (CEP) certification program. This program is designed to establish credentials, and validate the skills and knowledge for those individuals working in the cost estimating profession. The CEP program is intended to address the qualifications required of a senior or lead estimator, and as such will address both the breadth and depth of cost estimating skills.

The Certified Estimating Professional will require knowledge of both conceptual and detailed estimating concepts, risk evaluation and contingency determination, estimate reconciliation, estimate review and validation; as well as broad understanding of other Total Cost Management knowledge areas. The CEP program is intended to be applicable across different types of industries, and to both owner and contractor cost estimators.

The CEP Task Force announces that the 2nd CEP Beta Examination will be held on March 1 and March 8, 2008, at various locations in the United States and Canada. If you are interested in participating in the 2nd CEP Beta Examination, please contact Sandy Willard at AACE Headquarters (swillard@aacei.org, 1-800-858-COST).



Continuing Education!!

AAACEI Announces Availability of 2 New Professional Practice Guides. You can visit the AAACE Online Bookstore (<http://www.aacei.org/technical/ppg.shtml>) where you can order these new PPG's and other CD's, books and AAACEI merchandise. Cost for each of these books is \$40 for members and \$60 for non-members.

PPG #15 Life-Cycle Cost Analysis Edited by Carla Lopez del Puerto, CCC, and Dr. Douglas D. Gransberg, PE CCE

Covers:

- Life-Cycle Cost Theory
- Life-Cycle Cost Calculation Methods
- Determining Discount Rate
- Estimating Capital Cost of Design and Construction
- Estimating Operations Costs
- Estimating Salvage/Residual Value
- Estimating Sustainability
- Life-Cycle Cost Risk Analysis
- Life-Cycle Cost Case Studies
- Life-Cycle Cost Analysis in the International Context

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PPG #16 Cost Engineering in the Global Environment Edited by Kul B. Uppal PE

Covers:

- General Topics on International Projects
- Applicable AAACE International Recommended Practices
- Cost Estimating Methodology
- Risk and Contingency
- Miscellaneous Topics



November 2007 UpCountry SC Section Dinner Meeting Recap

The Upcountry SC Section meeting was held on November 12, 2007 at the Crowne Plaza Hotel. Our guest was Mark Stofega, Senior Performance Engineer for Fluor's Construction Technology Group. He has 35 years of experience in Industrial Engineering, Project Management and Process Improvement. Mark's presentation was on "Activity Analysis – Craft Performance"

Mark explained that the purpose of the Craft Performance – Activity Analysis measurement process is to measure craft performance continuously during the day and then compare it to a baseline "Site Target". This "Target" is established from Fluor experience and site specific parameters (ie. benchmark against best in class whether it's world wide, union and non union). This work process typically contains three main elements used to measure Craft Performance. They are Activity Level; Direct Productivity; and Rework. Mark's presentation concentrated on "Activity Level" to measure Craft Performance.

Activity Level measures % time craft are performing direct work. Mark presented some techniques that his teams uses when going out on a project

1. Activity Survey which consist of:
 - Random Work Sampling Techniques such as making rounds and observing craft activities
 - Measuring Craft Utilization by identifying if they are Direct Activities; Support Activities (planning, travel, etc); or Delays

He went on explaining how to identify what are Direct Activities vs. Support Activities vs. Delays.

1. Direct Activities are directly advancing the work
2. Support Activities are when the craft are getting tool/materials outside the immediate work area or any time planning occurs such as receiving, giving or writing instructions
3. Delays are identified when there is a wait for any material or equipment, a wait on supervisors instructions or any rest/relaxations

Therefore, this method of performance measuring looks at non-productive issues. It compares it to best/world class metrics and then an analysis is performed in order to mitigate those non-productive issues in order to obtain higher craft performance. This measurement technique typically requires at least 400 observations per hour in order to provide valid results.

In Closing, Mark left us with observations he typically performs when going on jobsites:

1. Location of Material Facilities and Tool
2. Late Starts / Early Quits
3. Severe work conditions and climate
4. Supervisory and Management
5. Job planning
6. Groups with big direct activity gaps and the biggest number on site

The Upcountry SC Section would like to thank Mark Stofega for giving a very enlightening presentation.



December 2007 UpCountry SC Section Dinner Meeting

Thursday, December 06, 2007

Location: Crowne Plaza Hotel on Congaree Road

AACEI – What’s New **Guest Speaker: Jim Zack** **Fluor Corporation**

Jim was the President of AACEI for 2005/2006 and is heavily involved with the AACEI organization and other professional organizations. He has been in the Construction Industry for over 30 years and currently works for Fluor in the Corporate Claims Management Group.

Jim will give us a briefing on the future plans for AACEI and current projects/certifications that are being developed. He may also be enticed to tell you some war stories about claims he has been involved with. This meeting is more of a social gathering and will be kept short.

We look forward to seeing you! Our meeting will be in the Main Boardroom at the Crowne Plaza Hotel.

Please RSVP no later than Wednesday, December 5th at 5 PM by e-mail or phone. The cost of the meeting is **20⁰⁰**. Other refreshments are available in the hotel.

Schedule:

6:00PM to 6:30PM Registration, Networking and Hors D’oeuvres
6:30PM to 7:15PM Presentation / Program

Reservations

For information, please contact:

Chris Swanson (864) 517-1571 (e-mail – chris.swanson@fluor.com)



2007/8 Meeting Schedule for AACE UpCountry SC Section

Description	Day of Week	Date(s)	Presenter & Topic
UCSC Dinner Meeting	1 st Thursday	06 Dec 2007	Jim Zack, Fluor, AACEI - What's New
UCSC Dinner Meeting	2 nd Monday	14 Jan 2008	Donald McDonald, Fluor, Cost & Schedule Professionals Role in Dispute Resolution
UCSC Dinner Meeting	2 nd Monday	11 Feb 2008	Mike Twitchell, Fluor, Project Challenges in a Remote 3 rd World Country (Algeria)
UCSC Dinner Meeting	3 rd Thursday	20 Mar 2008	Dr. Kenneth Humphreys, Ethics
UCSC Dinner Meeting	2 nd Monday	14 Apr 2008	Speaker TBD
UCSC Dinner Meeting	2 nd Monday	12 May 2008	Bob Boyd, Fluor, Certification Paper Presentation – Productivity, An Elusive Measurement
AACEI Annual Convention	Sun. to Wed.	29 June to 02 July 2008	Toronto, Ontario, Canada

2007/8 Meeting Schedule for AACE Catawba (Charlotte) Section

Description	Day of Week	Date(s)	Presenter & Topic
Catawba Dinner Meeting	2 nd Tuesday	13 Nov 2007	Joe Rubin - Project - Red Bridge Golf & CC
Catawba Dinner Meeting	2 nd Tuesday	11 Dec 2007	Ken Humphreys - Risk & Contingency
Catawba Dinner Meeting	2 nd Tuesday	08 Jan 2008	John Heitkamp - Cost Data on Line, Inc. – Richardson
Catawba Dinner Meeting	2 nd Tuesday	12 Feb 2008	Ken Humphreys – Ethics
Catawba Dinner Meeting	2 nd Tuesday	11 Mar 2008	Mark Hoecker – Duke - Cliffside Power Project
Catawba Dinner Meeting	2 nd Tuesday	08 Apr 2008	Doug Creech – Paper Presentation
Catawba Dinner Meeting	2 nd Tuesday	09 May 2008	Social Dinner @ Sullivans

Please contact Shirley Harris at Shirley.Harris@ch2m.com if you are interested in attending a Catawba Section Meeting. These meetings are typically held at: 11301 Carmel Commons Blvd. Suite 304 in Charlotte



2007/8 Meeting Schedule for AACE Atlanta Section

Description	Day of Week	Date(s)	Presenter & Topic
Atlanta Dinner Meeting	3 rd Tuesday	20 Nov 2007	William Kraus – Future Directions of AACE
Atlanta Dinner Meeting	3 rd Tuesday	18 Dec 2007	Christmas Party @ US Cost
Atlanta Dinner Meeting	3 rd Tuesday	15 Jan 2008	Kurt Nolte – Web Based Estimating
Atlanta Dinner Meeting	3 rd Tuesday	19 Feb 2008	TBA
Atlanta Dinner Meeting	3 rd Tuesday	18 Mar 2008	Mike Ray & Patrick Ray – Topic TBA
Atlanta Dinner Meeting	3 rd Tuesday	15 Apr 2008	Tom Doig, CCC – Risk Management
Atlanta Dinner Meeting	3 rd Tuesday	20 May 2008	TBA

Please contact Mark Cundiff at markcundiff@hotmail.com if you are interested in attending an Atlanta Section Meeting. These meetings are typically held at: Cross Creek Café, 1221 Cross Creek Parkway in Atlanta