



April 2008 News Update

The Newsletter of the UpCountry South Carolina Section,
AACE International

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Inside This Issue

President's Message	- 1
Section Announcements	- 2
March Dinner Meeting Recap	- 4
April Dinner Meeting	- 5
2007/8 Meeting Schedules	- 6

President's Message

Section Health Check. I recently received an e-mail from AACEI requesting that we fill out a form which will indicate the health of our Section. Besides holding meetings and issuing newsletters, our Section should also be doing the following:

- Hosting certification exams
- Submitting Section news to AACEI for inclusion in the monthly Cost Engineering Magazine
- Having representaton at the annual convention
- Increasing membership
- Having members from multiple companies
- Hosting a seminar
- Hosting a certification workshop
- Increasing member certification
- Being involved with Scholarship & Educational Outreach Activities
- Maintaining a section website

Over the past two years, I believe we have established a strong foundation and our membership has grown to over 38 paid members. Election of new officers will occur this month and I entreat you to participate in this process by voting. With your help, I look forward to maintaining our momentum next season by continuing to strengthen our Section and by getting involved with some of the activities mentioned above. I want to thank everyone for their contributions to date because I believe we have a very healthy section although I would like to see more participation from other firms besides Fluor. This section is for the benefit of all Project Controls/Estimators/Project Management Professionals in the area.

Sincerely, Bob Boyd, PSP



Section Announcements

Certification!!

AACEI now offers 6 certifications. A 7th certification (CEP – Certified Estimating Professional) is currently undergoing Beta Testing. Five people from this Section and the Catawba Section will be taking this Beta exam in Charlotte on March 8th.

1. Certified Cost Technician (CCT) formerly 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.

Certification Exams:

Our Section will be hosting the second quarter AACEI Certification exams on June 14 and June 15. Please contact Chris Swanson or AACEI if you are planning on taking a Certification exam this spring. The early exam fee deadline is May 1st and the deadline to sign up for the exams is May 5th.

Continuing Education!!

Visit the AACE Online Bookstore (<http://www.aacei.org/technical/ppg.shtml>) where you can order Professional Practice Guides, Recommended Practices and other AACEI merchandise.



Nominations for AAACEI's South Carolina Section Officers and Directors for 2008/2009 are now Closed:

During the past two months, we sought candidates for next year's Officers and Directors.

Positions available are:

- President
- Vice President
- Secretary
- Treasurer
- Director (2 year term)
- Director (2 year term)

The terms for these positions are from June 1 to May 31.

Current nominations are:

- President – Walter Manning
- Vice President – Chris Swanson
- Secretary – Brian Rock
- Treasurer – Sanjay Mahajan
- Directors (2 required) – Steve Schnee and Jeff Bannister

Voting will occur during the month of April. An option for "write-in" candidates will be provided on the ballot. So if you are interested, you will have time to campaign and get yourself elected. Your new officers and directors will be presented at the May 12th meeting.

AAACEI Annual Meeting:

AAACE International's 52nd Annual Meeting & ICEC's 6th World Congress on Cost Engineering, Project Management and Quantity Surveying plus TCM – Cost Engineering for the Global Community will be held in Ontario, Canada from Sunday, June 29, 2008 through Wednesday, July 2, 2008.

Don't miss out on this excellent opportunity to network with your peers, earn CEUs/PDHs and attend seminars on the latest papers regarding cost, schedule and management.

The International Luncheon Speaker will be Mr. Adesh Jain. He has nearly 40 years of project-oriented work and is currently Chair of the Council of Delegates for the International Project Management Association. He is author of the book "New Dimensions in Project Management" and has authored over 50 articles. His presentation will probably focus on Project Management.



March 2008 UpCountry SC Section Dinner Meeting Recap

The Upcountry SC Section meeting was held jointly with PMI on March 20, 2008 at the Marriott Hotel. Our guest was Dr. Kenneth Humphries, a noted authority worldwide with over 350 technical papers, books, articles and patents on the subject of Cost Engineering.

Dr. Humphries presentation on Project Risk Management first identified, in his opinion, the best Risk Analysis Software ever developed. REP/PC (Range Estimating Program for Personal Computers) was developed in the late 1960's and issued to the Industry in DOS format. Unfortunately it was never updated to the newer operating system platforms. In its place, @RISK and Crystal Ball were developed and are used in today's market. But both of these later versions do not have "iaotrogenic" risk protection and therefore are prone to input errors. In fact, Dr. Humphries believes 99% of all Risk Analyses performed today are performed incorrectly.

In managing Projects today, there are four items that make up Management's Decision Criteria:

1. Number of Units (square feet, tons, gallons, sales, etc.)
2. Currency (dollars, yen, euros, pounds, etc.)
3. Time (hours, days, months, years, etc.)
4. RISK!

When trying to communicate RISK to Decision Makers, they will want to know what is the probable or "most likely" cost, what is the probability of costs exceeding the estimate and what are the upper and lower range values of the estimate.

Some of the other things Ken talked about were:

- AACEI's definition of Risk: The degree of dispersion of variability around the expected or "best" value which is estimated to exist for the economic variable in question, e.g. a quantitative measure of the upper and lower limits which are considered reasonable for the factor being estimated.
- In developing a risk analysis, identify 10 to 20 critical elements. These critical elements will have values that can vary widely and can impact the bottom line number by +/- 0.5 percent or can impact Profit by +/- 5.0 percent. Large numbers that will not vary significantly are not drivers to Risk. Combine related elements and do not range non-critical elements.
- After identifying the critical elements, identify the high and low values and assign a probability of occurrence.
- Proper risk analyses will identify the probability of having a cost overrun, how large the overrun can be and how much contingency to add to your estimate.
- Blindly using triangular distribution method for Monte Carlo analysis will lead to error. Need to use the double triangle distribution method.

The Upcountry SC Section would like to thank Dr. Humphries for giving us a very illuminating presentation.



April 2008 UpCountry SC Section Dinner Meeting

Monday, April 14, 2008

Location: Crowne Plaza Hotel on Congaree Road

Preparing for a Deposition in a Business Case

Written by: Jeffrey A. Jannuzzo

A short 30 minute training film will be presented in lieu of a speaker this month. Past speakers have talked about depositions and how most people are unprepared to take a deposition. This training film was prepared in 1983 with the assistance of a New York City legal attorney who at the time was working for the Law Firm of Debevoise and Plimpton. Mr. Jannuzzo now enjoys a solo practice in New York City where he concentrates in partnership disputes, malpractice claims and defense, and general commercial litigation and arbitration cases. During the late 1980's, he was a resident in Riyadh, Saudi Arabia, where he was among other things, outside counsel to the U.S. government in military construction claims.

The VHS video tape was originally published by Matthew Bender & Co. as a practical tool for use by lawyers to prepare their clients. It is believed to be the best selling legal video ever made and it is still appropriate today. A search for this video will find this video in the larger law libraries. Unfortunately it is currently not available at Amazon. A DVD version of this tape can be found at the LexisNexis online bookstore for \$420 (VHS version for \$439).

Please RSVP no later than Friday, April 11th at 5 PM by e-mail or phone. The cost of the meeting is **20⁰⁰**.

Schedule:

6:00PM to 6:30PM Registration, Networking and Hors D'oeuvres
6:30PM to 7:00PM Video Presentation

Reservations

For information, please contact:

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



2008/9 Meeting Schedule for AACE UpCountry SC Section

Description	Day of Week	Date(s)	Presenter & Topic
UCSC Dinner Meeting	2 nd Monday	14 Apr 2008	Deposition Training Film
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
UCSC Dinner Meeting	2 nd Monday	08 Sep 2008	Michael Ray, Legis Consultancy, Inc., Hurricane Katrina Rebuild Work
UCSC Dinner Meeting	2 nd Monday	13 Oct 2008	Ken Willis, Fluor, Topic TBD
UCSC Dinner Meeting	2 nd Monday	10 Nov 2008	Clemson University Guild, Topic TBD
UCSC Dinner Meeting	2 nd Monday	08 Dec 2008	TBD
UCSC Dinner Meeting	2 nd Monday	12 Jan 2009	TBD

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