



# March 2010 News Update

The Newsletter of the UpCountry South Carolina Section,  
AACE International

## President's Message

Members,

This month I have decided to chat a little about what makes a section such as ours successful. Much more could be written about this but I feel that one of the most important ingredients necessary is that inner circle of individuals who take care of the various "tasks" necessary to keep things going. It is that which I wish to chat about with you today. I have to say I am very lucky in our section. Somehow we have been able to attract people who really believe in what we are doing and see it as something worthy of their dedication and hard work. I want you to know that it has been a joy to be President this year because there were many things I simply didn't have to worry about. For example, I never had to worry about the food for the meetings as I have in the past years with AACEI. We have Rita Wheeler who is always there to do whatever we need and since that job needed to be done she stepped up and has been faithfully taking care of it for quite some time now. There are others, such as Becky Spencer who, I don't believe, has ever said no to any request we have ever had. Not only did she never say no, she excelled at whatever she did for us. I think many of you would be surprised at the work that is quietly done behind the scenes. I remember the time our former treasurer, Ken Keith, put into auditing (with Janna Frasher's help) and organizing our financial books. I didn't have to worry about it. They just took care of it. Then there was Debbie Powell, who faithfully did the minutes when she was secretary. Then, there was Bob Boyd who faithfully, for some 3 years now, cranked out the monthly newsletter and our monthly meeting flyers. All these things took time and they did it. For any group such as ours to be successful there has to be that inner core of people who get everything done. We have been blessed abundantly with the people we needed to "make it happen". I know I haven't mentioned everyone and for that I apologize. You are recognized also. I could never do all of this. But together with the "A" team I have been given we can get it done and will do even more in the coming years. There is much more to be done and more of you will be coming out of the woodwork to get it done. I am totally confident of that. A hearty thank you to all of you!

Sincerely, Chris Swanson

President  
Chris Swanson, CCC  
(chris.swanson@fluor.com)

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Walter Manning, CEP

Vice President  
Becky Spencer, CCE  
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Secretary  
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Treasurer  
Sharon Owens

Certification Chair  
Chris Swanson, CCC

Website Editor  
Becky Spencer, CCE

Membership Chair  
Becky Spencer, CCE

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Janna Frasher

2008 – 2010 Directors  
Donald McDonald, CCE, PSP  
Bob Boyd, CCE, PSP, CEP

Newsletter Editor  
Bob Boyd, CCE, PSP, CEP

Scholarship & Student Outreach  
Chair  
Bob Boyd, CCE, PSP, CEP

Awards and Elections Chair  
Becky Spencer, CCT

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## Section Announcements

### Certification!!

AACEI offers 7 certifications.

1. Certified Cost Technician (CCT)
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)
7. Certified Estimating Professional (CEP)

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

In recognition for those Section members that have AACEI certifications, we will now have an Honors Roll. The following Section members hold certifications and can be considered Subject Matter Experts, available to help you if you have any questions.

### HONORS ROLL

CCE / CCE	PSP	CEP	EVP
Chris Swanson	Donald McDonald	Robert Boyd	Doug Findley
Donald McDonald	Robert Boyd	Jeff Bannister	Eric Marcantoni
Robert Boyd	Doug Findley	Walter Manning	
Doug Findley		Stan Ellzey	
Becky Spencer			

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

The next certification exams are currently scheduled for:

July 10, 2010 – Location of test in Greenville will be announced later

November 06, 2010 – Location of test in Greenville will be announced later

Deadline to sign up for a certification exam is 60 days prior to the above test dates

### Changes to the CCC / CCE Technical Paper Submittal Requirements

Beginning in the Summer of 2010, the Certification Board has changed the deadline for submittal of the Technical Paper. The Technical Paper must now be submitted by the registration deadline (60 days prior to exam date) or you will not be permitted to sit for the CCC/CCE exam.



## **Continuing Education!!**

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

Note that the PSP Certification Study Guide (1<sup>st</sup> Edition) and the EVP Certification Study Guide (1<sup>st</sup> Edition) are now available. The Skills and Knowledge of Cost Engineering is now available "On-Line" at AAACEI's website.

## **AAACE International's 54<sup>th</sup> Annual Meeting!!**

Make plans to attend the next AAACEI annual meeting in Atlanta, Georgia. It will be held from June 27<sup>th</sup> thru June 30<sup>th</sup>.

## **UpCountry South Carolina Section's Website!!**

Please visit our web site that is being maintained by Becky Spencer. Becky continues to improve the website, including job postings. Feel free to provide feedback to Becky or Chris on comments/ideas that you believe would enhance the website.

<http://upcountry-aacei.org/welcome.html>

## **Section News!!**

March's Section meeting was held at Day & Zimmerman's Engineering office where 13 attended.

Becky Spencer, Vice-President, led the monthly meeting. To date 19 tickets have been sold for the Time Share Raffle that is intended to support the Scholarship Award fund. Tickets are \$20 and the raffle will be held at the April meeting. 5 applications for the AAACEI competitive scholarship award have been received from AAACEI for review. The top two applications will be forwarded to AAACEI for review at the national level. Our section plans on providing two scholarship awards, one for \$1500 (includes \$500 matching fund from AAACEI) and the second for \$500. Award winners will be announced at the May meeting.

Our speaker for the April Meeting will be a representative from the Toastmasters Club. The speaker will address Communication and Leadership skills.

At the April meeting, we will complete the nominations for candidates to run for the 2010/2011 officer positions. Election will be held during the month of April and announcement of our new officers will be made at the May meeting. So if you are interested and have questions, feel free to contact any of the current officers.



**SEMINAR NOTICE**



Greenville NCMA Chapter Presents  
National Education Seminar

**Risk Management for Complex U.S. Government Contracts and Projects**

NCMA's newest seminar provides a unique and comprehensive view of what it takes to successfully manage large, complex, high-technology U.S. government contracts and projects. Led by one of the most decorated civilian contracting officials in the history of the U.S. Army, Mark J. Lumer. This one-of-a-kind seminar is loaded with process diagrams, tools, techniques and best practices to help acquisition professionals in both the U.S. government and industry improve business results. A must for everyone in the business of buying or selling complex products, systems, services, or integrated solutions to or for the U.S. government.

Prior to retirement in January 2008, Mr. Lumer was the Principal Assistant Responsible for Contracting for the U.S. Army Space and Missile Defense Command. He oversaw over \$15 billion in active contracts, annual expenditures of about \$2.5 billion and a staff of approximately 110. Mr. Lumer was a member of the Senior Executive Service and the Army Acquisition Corps, with Level III certifications (the highest possible) in both Contracting and Program Management. He was also a member of the Army Acquisition Governance Board.

**Speaker Mark Lumer**  
**April 26, 2010**  
**8:00AM - 4:00PM**

Fluor Management Center  
150 Fluor Daniel Dr  
Greenville, South Carolina 29607

Registration Fees (Including Lunch)  
Member: \$225  
Non-Member \$250

**To Register Contact:**

<b>Patrick Carrington</b>	<a href="mailto:patrick.r.carrington@lmco.com">patrick.r.carrington@lmco.com</a>	<b>864.299.7589</b>
<b>Amy Scholtz</b>	<a href="mailto:amy.scholtz@fluor.com">amy.scholtz@fluor.com</a>	<b>864.281.4433</b>

The Deadline for Registration is Friday, April 23. Cash, Check and Credit Card are accepted. Please make all checks payable to NCMA.



### Seminar Registration Form

**Mail this form and fee (or email) to the registrar at the seminar location entered below.**

National Education Seminar Registration: Please register me for the following session:

#### Risk Management for Complex U.S. Government Contracts and Projects

Location: City/State Greenville, South Carolina Date: April 26, 2010

Registrar: Patrick R. Carrington

P.O. Box 384 Central, SC 29630

Email: [patrick.r.carrington@lmco.com](mailto:patrick.r.carrington@lmco.com) Phone: 864-299-7589

### Registrant Information

Name: \_\_\_\_\_ Circle: **CPCM CACM SAS**

Title: \_\_\_\_\_ Organization: \_\_\_\_\_

Business Address: \_\_\_\_\_

City/State/ZIP: \_\_\_\_\_

Daytime Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail Address \_\_\_\_\_

To aid in tailoring the seminar to each audience, please tell us about yourself:

Who do you work for?  Industry  Government Other: \_\_\_\_\_

What is your level of expertise?  Basic  Mid  Senior YearsExperience: \_\_\_\_\_

Check here if you require special accommodations to fully participate

My question for the speaker:

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#### National Education Registration Fee (Payable to: NCMA)

Member Fee: \$225

Non-Member: \$250.00

NCMA Member Number \_\_\_\_\_

NCMA Chapter Affiliation \_\_\_\_\_

#### Payment Information

Check in the amount of \$ \_\_\_\_\_ Cash \_\_\_\_\_



## **March 2010 UpCountry SC Section Dinner Meeting Recap**

The Upcountry SC Section meeting was held on March 9, 2010 at the offices of Day & Zimmerman. Our guest speaker was Larry Philbin. Larry is a principal engineer with Santee Cooper.

Larry gave this presentation at the 2006 Palisade User Conference. Larry's presentation can be found at the following website. He is the third speaker down from the top. You will see a link to get to this presentation after the abstract.

<http://www.palisade.com/2006Conf/abstracts.asp>

For Santee Cooper and other utility companies, they are required, per a 1996 US EPA guideline, to book future value for retirement obligations associated with hazardous waste facilities at their power plant facilities as a current liability. A 1996 report that has been issued by the EPA shows that some cost estimates for retirement obligations are underfunded. Primary reason is the method and rates used to determine the retirement obligations.

Larry explained that the main variables in determining financial retirement obligations for these hazardous waste facilities are:

1. The discount rate which is used to calculate the present value of costs,
2. The assumed inflation rates
3. The expected age of the plant when expenditures will commence
4. The amount of costs that will become payable

The tendency of some utility companies is to use a lower inflation rate, a higher discount rate and later expected ages of when expenditures will commence.

Larry then went on to describe Santee Coopers hazardous waste facilities, ash ponds, and method/assumptions used to arrive at their retirement obligations. Once all of the variables and cost estimates are identified, this was inputted into an Excel model that has 2 "add-in" software systems; Best-Fit and @RISK. Different scenarios were run and then averaged in order to arrive at Santee Coopers financial obligations. Using the Monte Carlo methodology in modeling the large number of potential combinations/ranges of the variables allowed them to see the range of costs needed to fund this liability. As a means of ensuring that adequate funds are declared in their financial reports, Santee Cooper uses a cost value that reflects a 90% confidence level.

Larry concluded by stating that organizations can and do manipulate key variables when evaluating their liabilities associated with hazardous wastes. Santee Cooper's position is to be as accurate as possible and do have used a risk based simulation tool that is robust and provides a high degree of confidence in the results being calculated.

This concluded Mr. Philbin's presentation. Becky Spencer presented a plaque to Mr. Philbin, thanking him for his time and presentation.



**2009/10 Meeting Schedule for AACE UpCountry SC Section**

Description	Day of Week	Date(s)	Presenter & Topic
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	08 Sep 2009	Norm Powell, SRNS, Project Controls in the DOE, SRNS Site
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	13 Oct 2009	Eric Marcantoni, Fluor, Nuclear Power – Past & Future
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	10 Nov 2009	Robert Boyd, Fluor, Escalation; De-escalation; Inflation
UCSC Dinner Meeting	Saturday	12 Dec 2009	Social Dinner at Donald McDonald's house
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	12 Jan 2010	John Dillewyn, Fluor, Topic – Habitat for Humanity
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	09 Feb 2010	Richard Gerspacher, Fluor, Topic – Newmont – PMI's 2009 Project of the Year
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	09 Mar 2010	Larry Philbin, Santee Cooper, Topic – Risk-Based Modeling Approaches for Determining Current Liability for Future Asset Retirement Obligations
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	13 Apr 2010	TBD, Toastmasters Club, Topic – Communication and Leadership Skills
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	11 May 2010	TBD – Capital Planning and Program Controls for Public Agencies