



# January 2012

## News Update

The Newsletter of the UpCountry South Carolina Section,  
AACE International

### President's Message

Members,

I was recently reminded of the important role that AACE plays in our Industry when I was doing some research regarding a Client's request. Often clients infer AACE practices when trying to establish Project Controls and Estimating procedures in a Contract Exhibit. So as a member of AACE, it is very easy to view the Recommended Practices online in order to better understand the background of a procedure that the Client may be requesting of a Contractor. There are 44 Recommended Practices that have been issued to date. Some of these are referenced in many EPC firms' procedures/practices. So I highly recommend that you become familiar with the appropriate AACE practices that may be applicable to your work. If you don't have access to this information, then find someone who can provide you with that information. And as a further inducement, becoming knowledgeable about AACE practices can also assist you in passing the AACE certification exams.

I also want you to be aware that beginning in February; AACE will launch the Source Magazine, a bi-monthly magazine that will feature sound, video, surveys, as well as articles and features like the President's Message and the Section News. This magazine will be available to the general public. So every month you will either receive the Cost Engineering magazine, with more technical articles, or the Source magazine. They will alternate every month, with 6 issues of each every year.

So by reading AACE practices and magazines, your knowledge will grow and so will you professionally.

Sincerely, Bob Boyd

**President**

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(robert.boyd@fluor.com)

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## Section Announcements

### Certification!!

AACEI offers 6 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 Forensic Claims Consultant (CFCC)
6. Certified Estimating Professional (CEP)

For descriptions and requirements regarding each of these certifications go to the AACEI web page (<http://www.aacei.org/educ/cert> ). And for educational literature to help you with these exams, 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.

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

<i><b>CCE / CCE</b></i>	<i><b>PSP</b></i>	<i><b>CEP</b></i>	<i><b>EVP</b></i>
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			
Glen Joseph Colaco			
<i><b>CFCC</b></i>			
<b>Doug Findley</b>			

Please contact Stan Ellzey ([stanellzey@charter.net](mailto:stanellzey@charter.net)) if you have any questions or need assistance regarding any of the certifications or workshops mentioned above.

Corporate indicated that no one had signed up to take a certification test in March. The next certification exam is currently scheduled for:

- July 21, 2012 – Location of test is Greenville, SC
- December 8, 2012 – Location of test is Greenville, SC

Deadline to sign up for a certification exam is 60 days prior to the above test dates. If you want to take the test in Greenville, please contact AACEI, one of our officers or our Certification chairperson.



## Schedule Delay Analysis: Choosing a Method

Sponsored by WPL Publishing Co., Navigant's James G. Zack, Executive Director of the Navigant Construction Forum, presents this valuable new interactive webinar.

Attend this webinar to learn what to consider when facing the choice of delay analysis methods.

### Get answers to pressing questions such as:

- How do you choose a delay analysis method?
- What factors and issues should be addressed before committing to a potentially lengthy and expensive process?
- Is the choice of delay analysis method irrevocable once made?
- What is the risk of trying to change methods in mid-stream?

Get answers and insights to these issues and the 11 factors the scheduler should at least consider when making a choice.

### Who Should Attend:

This webinar is a must if you're a public or private owner, construction manager, contractor, subcontractor, consultant, architect, engineer or attorney.

### **Navigant's Global Construction Practice**

Navigant is recognized globally as the provider of choice on construction disputes, as well as for being the source for sophisticated advisory services on the world's most complex construction projects.

### **Navigant Construction Forum™**

Established in September 2010, the mission of the Navigant Construction Forum™ is to be the industry's resource for thought leadership and best practices on avoidance and resolution of construction project disputes globally. "Building on lessons learned in global construction dispute avoidance and resolution", the Navigant Construction Forum™ issues papers and reports, makes presentations and offer seminars on the most critical issues related to the avoidance or mitigation of construction disputes and the resolution of such disputes.

[www.navigant.com/construction](http://www.navigant.com/construction)

### Contact »



[James G. Zack, Jr.](#), CFCC, FRICS  
Executive Director,  
[Navigant Construction Forum™](#)

### When »

February 2, 2012  
1:00 p.m. - 2:30 p.m. Eastern

[Register by clicking here](#)





## **AAACEI Certification Hints and Other Educational Tidbits!!**

The question for February's meeting is:

What is the preferred basis to estimate Operating costs?

1. Daily basis
2. Unit-of-production basis
3. Annual basis
4. Hourly basis

## **AAACE International's Meetings and Conferences!!**

It's not too early to begin thinking about making plans to attend AAACEI's 56<sup>th</sup> annual meeting in San Antonio, Texas. The theme of this conference is "A Fiesta for Total Cost Management". It will be held from July 8<sup>th</sup> thru July 11<sup>th</sup>. Registration begins in 2012. Watch AAACEI's website for updates.

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

Please visit our web site that is being maintained by Becky Spencer. It contains some job postings for those of you that are unemployed. Feel free to provide feedback to Becky or Bob Boyd on comments/ideas that you believe would enhance the website.

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

## **Section News!!**

Our December Social Event was at Donald McDonald's house where 8 members experienced an enjoyable meal and good conversation. Everyone brought a gift and lots of laughs were had as we played Chinese Christmas.

Bob Boyd attended a NCMA meeting in December. It was held at the Hyatt Place Haywood during the lunch hour. It was an interesting presentation by Scott Mason, PhD from Clemson on Optimization, Logistics and Logistics Optimization. This presentation focused on reducing time & costs, maximizing performance and focusing on on-time delivery. Although the calculation of performing the above is mathematical, the presentation described the results of these analyses.

January's meeting had a great attendance with 17 persons attending. It was mentioned that membership dues are now due. A report was run that indicated only 12 are current and 38 past members are delinquent. Some Fluor members indicated that they are in the process of having their dues paid through a group membership submission. The Section has also submitted to AAACE Corporate a Scholarship matching fund request. The Section's current account status is at just over \$2800. The Section will be contributing \$1,000 to the winner of the AAACE Competitive Scholarship program. And with a \$500 match by AAACE, the winner will have a \$1500 scholarship.



## **January 2012 UpCountry SC Section Meeting Recap**

The UpCountry SC Section meeting was held on January 17, 2012 at Jacobs' Office. Our guest speaker was Mr. Donald McDonald. He is an Executive Director with Fluor's Corporate Claims Management Group. He is an AACE Fellow, a long term member of AACE's Education Board and was recently assigned to be Chairperson of AACE's Ethics Committee.

The one major take-away everyone should file away is – Don't forget to look at the near critical path.

The presentation focused on Activity Float for those activities not on the Critical Path. Highlights from the discussion include:

- When CPM's were initially developed and used on projects, float ownership belonged to the Contractor. Since the 1960's, the Federal courts have shifted their thinking such that Float is "an expiring resource available to the parties on a non-discriminatory basis". Meaning that float can be used on a first come, first serve basis. Therefore in order for Contractors to minimize the loss of Activity Float to Owners, Contractors need to bury float into all activities in their schedule. Other methods of Contractor maintaining Float Ownership is by Contract language which defines terms and conditions for equitably dealing with float consumption or by defining activities in the Schedule for jointly-owned or Contractor-owned Float.
- Owners look at activities with float and may interject change or make decisions that eat into activity float because they believe there is no harm in doing so. Therefore it is very important that the Contractor understand how this loss of float may be moving non-critical activities to near critical or critical.
- Owners will not pay or extend time for Owner caused delays to near critical path activities. Owners believe that float usage has not cost the contractor any money or impacted the critical path; therefore it can be used by the Owner.
- In order for Contractors to recover time and cost for float usage by the Owner, the Contractor must:
  - Document in monthly reports what are the critical and near critical path activities
  - Document how the owner has used the activity float for these critical and near critical path activities
  - And describe what risks have been created by the usage of float by the Owner. In addition to these notifications, the Contractor must reserve their rights for future potential issues that may occur as a result of the float used by the Owner early on.
- Is Float a Shared Contingency? This slide emphasized that the use of Cost Contingency is for Contractors use only because it can be identified, managed and controlled. Schedule Contingency or Float is difficult to assess cost or time impact when used. Therefore Schedule Contingency usage by the Owner is difficult to calculate its full impact on the Contractor's schedule



This concluded the presentation and. Bob Boyd thanked Mr. McDonald for an interesting and informative presentation. A copy of the presentation is available upon request.



**2011/12 Meeting Schedule for AACE UpCountry SC Section**

<i>Description</i>	<i>Day of Week</i>	<i>Date(s)</i>	<i>Presenter &amp; Topic</i>
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	14 June 2011	Ward Lambert – Harper, Lambert & Brown What a Lawyer Wants in an Expert
UCSC Social Meeting	2 <sup>nd</sup> Thursday	14 July 2011	Ball Game Drive vs. BlueClaws
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	09 Aug 2011	Bob Boyd - Fluor Solar Power – Solar PV Plants
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	13 Sep 2011	Christel Allen – A <sup>2</sup> Consulting,LLC I-385 SCDOT Project
UCSC Dinner Meeting	2 <sup>nd</sup> Monday	10 Oct 2011	Mark Spencer – LS Power Topic – An Owner’s Perspective
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	08 Nov 2011	Tour of Clemson University’s International Center for Automotive Research (ICAR)
UCSC Social Meeting	2 <sup>nd</sup> Saturday	10 Dec 2011	Christmas Social Gathering at Donald McDonald’s house
UCSC Dinner Meeting	3 <sup>rd</sup> Tuesday	17 Jan 2012	Donald McDonald – Fluor “Is Float Ownership Relevant Today”
UCSC Social Meeting	3 <sup>rd</sup> Wednesday	17 Feb 2012	Hockey Game – Bi-Lo Center Greenville Road Warriors vs. Toledo Walleye
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	13 Mar 2012	
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	10 April 2012	Jim Owens - Fluor Topic – Presentation on Aluminum Mills
UCSC Dinner Meeting	3 <sup>rd</sup> Tuesday	15 May 2012	Greg Garvey – Fluor Topic – Conducting a Project Health Review
UCSC Dinner Meeting	TBD	TBD	Paul Mannion Topic – Construction in a Union Environment
UCSC Dinner Meeting	TBD	TBD	Tour of GE’s Facility
UCSC Dinner Meeting	TBD	TBD	Future Presentation on How to Prepare for the CCE exam
UCSC Dinner Meeting	TBD	TBD	Potential Joint Meeting with NCMA