



# March 2012

## News Update

The Newsletter of the UpCountry South Carolina Section,  
AACE International

### President's Message

Members,

I recently received a notice of a new class that SkillPath is offering, Sparking Innovation & Creativity. It is interesting to note that the development of this class is probably strongly related to the need of US companies to be more competitive in today's global market. With China and India leading the wave of new projects and with Asian contractors/suppliers becoming strong enough to compete against Western companies, it has become a necessity for Western companies to become more creative and innovative in the methods and services they provide.

And Project Controls/Estimating is at the forefront of identifying innovative ideas. Capturing historical data, as mentioned by March's presenter, is one of many keys required for being a successful contractor in our industry today. Not only do we verify unit rates for the next project, but final job reports should also identify methods employed to achieve lower than budget rates. Typically the capturing of "best practices" and communicating that within the organization will lead to more innovative/creative ideas so that the way we perform our work can continuously improve. This continuous improvement is needed to compete against the next new wave of competitors who will come in with lower pricing, primarily out of ignorance, but maybe with more innovative methods than we currently utilize.

So, it behooves all of us to be vigilant when we are in the field. We need to capture good historical data and innovative ideas in order to compete successfully now and in the future. And if possible, we should share some of these ideas with other AACE members at our monthly Section meetings. Sharing ideas through presentations is one method for advancing technical knowledge and professional development. So if you have something to share with our Section members, please volunteer to give a presentation by informing an officer of our Section.

Sincerely, Bob Boyd

**President**

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## Section Announcements

### Certification!!

AAACEI 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 AAACEI web page (<http://www.aaacei.org/educ/cert> ). And for educational literature to help you with these exams, visit the AAACE Online Bookstore (<http://www.aaacei.org/technical/ppg.shtml> ) where you can order Professional Practice Guides, Recommended Practices and other AAACEI merchandise.

In recognition for those Section members that have AAACEI 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			
<b>CFCC</b>			
Doug Findley			

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 AAACEI, one of our officers or our Certification chairperson.



## The 2012 PMI Palmetto Chapter Symposium

### “Challenges in the Globalization of Projects and Project Management”

Thursday, April 10, 2012

8:00 a.m. – 5:00 p.m.

TD Convention Center

One Exposition Dr., Greenville, SC 29607

Our keynote speakers, Bruce Woerner and Bill Fournet, along with many other specialists will help to reinvigorate your enthusiasm for those very important globalization skills. This professional development day will provide new ideas and much opportunity for exchanging insights and making new contacts. The symposium networking opportunity helps you to build relationships with fellow project managers, speakers and sponsors. Register Today! For Learning and Networking! [www.pmipalmetto.org](http://www.pmipalmetto.org)

#### **Opening Keynote - Bruce Woerner - Enabling and Maintaining Trust on Multicultural Projects**

#### **Closing Keynote - Bill Fournet - How to Stop Herding Cats: Leading Project Teams through the Chaos**

#### **BREAKOUT SESSION SPEAKERS AND TOPICS:**

Kathy Jones - You Said What? Problem Resolution within Cross-Cultural Teams

Marc McKeel - The Cultural Literacy Effect on Global Project Management

Harry Hall - Managing Transitions Globally

Sonny Eppes - Four Generations in the Work Place

Mary Gorman - Power Up Your Agile Planning and Analysis: Deliver Value via Structured Conversations

Mary Gorman - Requirements by Collaboration: Workshops for Defining, Planning, and Delivering Product Needs

Dick Kosa - Understanding Your Elusive Risks

Karen Baker - Off-Shore Teams are Just Like Us and Other Urban Myths About Working Global

Plus 2 more industry leader and specialist speakers

### **Register TODAY for the EARLY BIRD Discount.**

Early Bird Discounted Price – Chapter Members = \$230, Non-Members = \$250

At the Door Price - \$300



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

Time is running out if you plan to attend AACEI's 56<sup>th</sup> annual meeting in San Antonio, Texas. Early registration ends June 8<sup>th</sup>. 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>. Visit the aacei website to see the Schedule of Events. Abstracts of the technical papers being considered for presentation are available for review. The daily schedule is still under development.

## **AACE Recommended Practices!!**

Be aware that AACE is in the process of releasing addendums to the generic Recommended Practice 17R-97 (Cost Estimate Classification System). Currently 18R-97 is the only addendum to this Practice which better defines Estimate Classifications for the E&C Process Industry. The next RP will be associated with the Mining and Ore Processing Industry. Other addendums that AACE is considering are associated with the Commercial Industry, Upstream-Onshore Oil & Gas Industry, Upstream-Offshore Oil & Gas Industry, Hydro Industry, Power Industry and Pipeline Industry.

## **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-aacei.org/welcome.html>

## **Section News!!**

No section meeting was held for February. The planned social gathering at the Bi-Lo Center to watch Greenville's hockey team, Road Warriors, was cancelled due to insufficient interest. Another social event during the summer period will be planned.

March's meeting had a good attendance with 12 persons attending. A short discussion was held regarding the election of next year's officers. Candidates for some of the positions were identified. Ballots will be issued in April for our members to vote on. Also discussed was that our Section will be issuing a \$1,000 check to AACE for the Competitive Scholarship program this month. Applications were received from 8 area college students. The top 3 applications were submitted to AACE for further evaluation. The selected Section winner will receive a \$1500 scholarship check later this summer.

April's meeting is planned to be an interesting presentation on Aluminum Mills. See the Meeting Schedule at the end of this newsletter for a listing of our future meetings.



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

The UpCountry SC Section meeting was held on March 13, 2012 at Jacobs' Office. Our guest speaker was Mr. Paul Mannion. He is VP of Construction in Fluor's Power Group, with an expertise in managing union construction projects. He has over 32 years of construction experience, including both union and merit shop. He also has experience in business development, estimating, contract negotiations, construction execution and labor relations for major construction projects.

Paul emphasized the role of Project Controls and that they are critical to the success of a project.

In the field, Project Controls need to issue Daily Reports, Weekly Reports and report Historical Data.

- Daily reports are an important tool if properly formatted and used. An example was provided as a handout. This form will be successful if it can be completed jointly by a Project Controls and Construction rep. It should reflect all issues and concerns affecting project progress. Pictures should be used to prove a point and/or record actual site conditions.
- Paul stated that estimators should rely on past projects for installation rates. Estimators who use MEANS or other Estimating reference books don't understand the work. Information contained in final job reports is extremely useful in bidding new work. Accurate historical information helps to control risk and limiting contingency requirements. Therefore Project Controls and Estimating need to be tied at the hip.

The biggest impact to costs on a union project is in the area of Indirect Labor supporting Directs. Indirect Union Labor hours will typically be 12% higher than on Open Shop projects. The following are examples:

- Personnel in Warehousing and Tool Rooms
- Non-Working Foreman and Stewards
- Show-up Time and Safety Standdowns
- Temporary Electrical (dedicated full time person)

And finally, maintaining consistent code of accounts (Direct and Indirect) for tracking costs is key to establishing unit rates and benchmarks for use in future estimates. It is also important that Project Controls be adequately staffed so that accurate historical information can be collected.



This concluded the presentation and. Bob Boyd thanked Mr. Mannion 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	Paul Mannion Topic – Importance of Project Controls to the Financial Success of a Contractor
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	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