



# November 2013

## News Update

The Newsletter of the UpCountry South Carolina Section,  
AACE International

### President's Message

Members,

#### **Process Flow Diagrams**

Recently I have been involved with describing Project Controls and Estimating work flows. It is interesting to see how some experienced professionals don't understand their work process or can't communicate it on paper.

For Project Controls and Estimating, it is very important that we have practices and guidelines in place that mimic our work flows so that we can address our work effort in a consistent and standardized method. We also need to understand what kind of information that we need from others and also what information we need to communicate to others.

So understanding our work processes plus the inputs and outputs is necessary to performing our job in an efficient and professional manner. Our work processes are also not simple at times. There are many different decisions that may become necessary during a given work assignment. It is not possible or necessary to capture everything in a work process because we need to maintain some flexibility.

Another benefit of understanding our work process is that it will enable us to develop improvements to our work processes and will also assist with development of integrated tools that will meet our needs and requirements.

I hope that you and your fellow coworkers understand your work processes because that will ensure you perform your work efficiently and as required by others that you interface with.

Regards, Bob Boyd

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## Section Announcements

### Certification!!

AACEI offers 7 certifications.

1. Certified Cost Technician (CCT)
2. Certified Cost Professional (CCP)
3. Planning and Scheduling Professional Certification (PSP)
4. Earned Value Professional Certification (EVP)
5. Certified Forensic Claims Consultant (CFCC)
6. Certified Estimating Professional (CEP)
7. Decision & Risk Management Professional (DRMP) Certification

For descriptions and requirements regarding each of the above 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, the following Honors Roll is being published so that you may call upon these Subject Matter Experts when needed.

### HONORS ROLL

<i><b>CCP</b></i>	<i><b>PSP</b></i>	<i><b>CEP</b></i>	<i><b>EVP</b></i>
Firas Al-Damook	Donald McDonald	Robert Boyd	Doug Findley
Donald McDonald	Robert Boyd	Jeff Bannister	Eric Marcantoni
Davis Berry	Steve Sanders	Stan Ellzey	Steve Sanders
Robert Boyd	Doug Findley		
Doug Findley			
Becky Spencer			
Glen Joseph Colaco			
Alan Wilson			
<i><b>CFCC</b></i>			
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.

And with the recently released CBT program, testing can occur whenever it is convenient for you. Just visit the AACEI website and follow the links to register and schedule your date for the exam. The test location for Greenville, SC is at:

**Greenville Technical College Distance Edu TC**  
506 South Pleasantburg Drive, Building 112, Room 350  
Dental Technology Building  
Greenville, South Carolina  
United States 29607



## AACE News

### AACE App Get Your Free App Today

AACE is pleased to announce the release of its free App! Help promote AACE with the App - show your colleagues just a sample of what AACE has to offer while you're gathered around the water cooler.

Scan the QR code to access the App or search for "AACE International" from the App/Google Play Store.

Data rates may apply. Check with your service provider for more information.



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### Mentoring For Success - Free Webinar Scheduled for November 13

AACE International will present a special webinar, "Mentoring for Success: Three Perspectives" on November 13, 2013 at Noon Eastern Time. The free webinar will present mentoring from three different perspectives: the protégé/partner, the mentor and the company employing the protégé or mentor.

Julie Owen, CCP PSP will present from the perspective of the mentor. Owen, Vice President of Regions, works for the Los Angeles Metropolitan Transit Authority and has been involved with the AACE International mentoring program from its inception. She has been both a mentor and a protégé/partner.

Presenting the protégé/partner's perspective will be Dev Tamboli. Tamboli enrolled in the AACE International mentoring program and will share his perspective on the impact that mentoring has made on his career in cost engineering. Tamboli currently serves as the chair of the Mentoring Advisory Committee.

Milton "Bud" Mayr will offer his insight into the value of the mentoring process from a company perspective. Mayr has been responsible for overseeing the Chevron mentoring program for cost engineering and served as the Mentoring Advisory Committee in 2012-13. He will highlight why companies should encourage their employees to participate as both partners/protégés as well as mentors.

The webinar will also review the resources available to participants in the association's mentoring program, including the Mentoring Handbook and mentoring agreement, the online mentor/partner matching program and other resources and recognition for participants. While there is no charge to participate in the webinar, individuals must register in advance by going to this link. Participants may pose questions to the participants via electronic messaging available during the webinar.

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### AACE Adds Two New and Revises One Recommended Practices Have You Gotten Yours?

The AACE International Technical Board recently approved the following Recommended Practices (RPs) which, along with previously published RPs, are now available for complimentary download.



(NEW) 70R-12, Principles of Schedule Contingency Management - As Applied in Engineering, Procurement, and Construction

RP 70R-12 describes schedule contingency implementation and schedule risk management techniques to consider when developing a capital construction project execution phase schedule. AACE International recommended practices are intended to provide guidelines, not to establish standards. This RP describes general principles for applying schedule contingency in engineering, procurement and construction project schedules.

Although this RP was written as a stand-alone document it can be used as a companion with the AACE recommended practices related to schedule planning and development, risk management, forecasting, and change management. Overlapping information has been eliminated from this document in deference to the more detailed guidelines in the other RP documents.

There are a wide range of opinions regarding whether or not to allow the use of schedule contingency. This RP reflects the general consensus concerning guidelines for the proper use of schedule contingency when schedule contingency is allowed to be used.

Because the application of schedule contingency is not an area of generally accepted practice, this RP is focused on describing the schedule contingency definition, attributes and principles that professionals can generally consider for application. This RP excludes discussion of schedule risk modeling processes and analysis as well as the integrated cost and schedule risk analysis. It also excludes the detailed procedure for managing contingency through change management and other project cost/schedule control methods. AACE recommended practices have been developed to provide detailed guidelines for those related processes.

This RP describes guidelines for implementing schedule contingency as part of the overall capital project risk management process when schedule contingency is desired. These principles may be applied to any phase of a project, but become more relevant at the time of planning for project control during the execution phase. After analysis of schedule risks on the established schedule model, the project team should plan the methods to establish time contingency in the project schedule logic, and describe these procedures in the project execution and control plans.

Contributing authors to RP 70R-12 are: Edward E. Douglas, III, CCP PSP (Author); Abhimanyu Basu, PE; Carol A. Bolstad; Tony A. Bolstad; Clinton Booth; Patrick M. Burkhead, PE PSP; Christopher W. Carson, CEP DRMP PSP; Paul L. Conant, Jr.; Patrick B. Egger; Marc S. Glasser, PSP; Stewart Hadley; Dennis Read Hanks, PE CCP DRMP; Robert Hartley; Lee J. Hobb; John K. Hollmann, PE CCP CEP DRMP; Dr. David T. Hulett; Aldo Dorea Mattos, CCP; Robert B. McCullough, PE CCP CFCC; Donald F. McDonald, Jr., PE CCP PSP; Dr. Saleh A. Mubarak; Jose L. Noe; Craig L. Olsen, CCP PSP; Dr. Shekhar S. Patil; Keith Pickavance; Ted C. Ritter; Hannah E. Schumacher, PSP; Rick L. Staten, PSP; Lawrence R. Tanner, PSP; Dr. Gerald H. Williams, Jr., PE; Ronald M. Winter, PSP

(NEW) 35R-09, Development of Cost Estimate Plans - As Applied for the Building and General Construction Industries

RP 35R-139 is a guideline for the development of cost estimate plans for the building and general construction industry. With reference to the Total Cost Management (TCM) Framework, this document addresses the need to develop effective estimate plans.

This RP is intended to provide a guideline (i.e., not a standard) for establishing and communicating how to prepare, review and approve an estimate plan.

The basic principles of cost estimate plans can be applied to various contracting strategies, project execution approaches and asset owner configurations in the building and general construction industries. Some key principles are:

Preparation of an estimate plan helps to ensure successful estimate completion in an effective and timely manner. Engaging key stakeholders in estimate planning prior to starting the estimate improves the likelihood of meeting estimate objectives.

The estimate plan defines what information is required from who and when.



# AACE Upcountry South Carolina Section

Clemson, Greenville, Spartanburg & Surrounding Areas



An approved estimate plan provides a duly authorized basis to proceed with the estimating effort, clarifying requirements and responsibilities.

Contributing authors to RP 35R-09 are: Bruce E. Bradley, CEP (Author); Desmond Orsinelli, PE CCP CEP (Author); Peter R. Bredehoeft, Jr., CEP; Larry R. Dysert, CCP CEP DRMP; Todd W. Pickett, CCP CEP; Robert B. Brown, PE; Jeffery J. Borowicz, CCP CEP PSP; James D. Whiteside, II, PE; John P. Orr, PSP; Christopher W. Carson, CEP DRMP PSP

(REVISED) 10S-90, Cost Engineering Terminology

About 70 new and revised terms have been introduced to this revision of RP 10S-90. These are mainly in the areas of: risk; planning and scheduling; and earned value management.

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## **AACE International Annual Salary & Demographic Survey** **2013 Survey Closing December 9, 2013**

If you haven't already done so, we strongly encourage you to take a few minutes to complete the 2013 Salary & Demographic Survey of Project & Cost Professionals - your participation is very important! You should go here to complete the survey.

The purpose of the survey is to enable project and cost professionals in different locations, industries, and work functions to compare their salaries, and to provide employers with information on prevailing wage rates among these professionals.

The survey will close on December 9.

Results of the 2013 salary survey is complementary for AACE members. Non-members may purchase the results of each annual salary survey for a nominal fee.

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## **Federal Agency Roundtable on Total Cost Management** **In Washington, DC** **Rescheduled for December 5**

AACE International will host its third Federal Agency Roundtable on Thursday, December 5 at the 20 F Street, NW Conference Center in Washington, DC from 8:30 am to 12:30 pm, according to Kim Hunter, EVP, Chairperson of the Government Relations Committee for the Association. The 20 F Street NW Conference Center is conveniently located on Capitol Hill and within walking distance of Union Station.

“Government agencies are challenged in 2013 and beyond to complete projects in the most cost efficient way possible, using both available dollars and human resources wisely. Government leaders are working in an environment where they have to produce greater results faster, and for less money. This third roundtable will be a continuation of our exploration of total cost management issues that impact the federal government and contractors that serve that sector,” Hunter commented. Specific topics and speakers will be announced in early September.

Program managers and project controls professionals involved in the federal government are invited to participate in AACE International’s the roundtable to exchange best practice advice and concerns with professionals from government agencies. Registration is free to government employees involved in the practice of total cost management while contractors who are AACE International members may attend for \$35 and non-members may attend for \$50.

Go here to register to attend. Alternately, contact Teri Jefferson via email or phone at 304-296-8444, ext. 120.

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## **AACE Member Get A Member Campaign Management**

Now is the perfect time to recruit your total cost management colleagues into AACE International. Individuals who join AACE International for the first time today will receive the balance of 2013 membership for free when they pay their 2014 dues. This gives the new member more than 14 months of member benefits and services before they need to make a renewal decision. And to make it easy to explain those benefits, AACE International has prepared an online recruitment video that you can direct potential members to review.

<http://www.aacei.org/mbr/recruitment/welcome.shtml>.

To encourage you to act today, AACE International will be holding two drawings from among those individuals who sponsor a new member before December 31, 2013. Be sure that everyone you recruit identifies you on their membership application. The first drawing will be the quarterly drawing for \$250 in credits toward AACE products.

The grand prize drawing for members who sponsor a member will be an all-expense paid trip to the 2014 AACE Annual Meeting in New Orleans, Louisiana. Everyone who referred a new member during the year will be automatically entered into the grand prize drawing as well.

Recruiting new members not only makes the Association stronger and more vibrant, it has tangible benefits for the new member as well. Our most recent Salary Survey shows that AACE International members earn more than \$12,000 more than non-members a virtually every stage in their career. Don't you have professional colleagues that would benefit from what AACE International has to offer? For more information on membership, including our online membership applications, go to: <http://www.aacei.org/mbr/how2join.shtml>.

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

Never too early to start planning for the 2014 annual meeting that will be held in New Orleans and will focus on Energy and Petroleum. The 2015 annual meeting will be held in Las Vegas and will focus on Mining.

## **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>

Also, through September 30, 2013, there are 31 persons who are officially recognized as AACEI members belonging to our Section. I want to thank all of you for being members and hope that you will continue to be support AACEI and our Section.





## **November 2013 UpCountry SC Section Meeting Recap**

The AACE Upcountry South Carolina Section held their monthly meeting on November 12th at the Jacobs Engineering office in Greenville. There were twelve attendees representing six different companies. Bob Boyd, president of the Upcountry Section, kicked off the meeting announcing our annual Christmas Social which will be held on Thursday, December 12th at Lao Hu Cheng Asian Bistro in their private dining room located at 912 South Batesville Road in Greer. Becky Spencer will send out a formal invitation to the group within in the next few days. As always we will be playing the Chinese Christmas game since it has been our tradition. Everyone who attends please bring a wrapped gift (no more than \$10) to the dinner party to participate in the Chinese gift exchange. We will begin the Chinese game after dinner. Everyone who brings a gift will go home with a gift.

Doug Findley gave thanks to Bob Boyd and Becky Spencer for their efforts of publishing Doug's online study group on Risk Management. Doug has received 15 people who have signed up for this online study opportunity. If you have any questions please free feel to contact Doug Findley at [dafindley@mindspring.com](mailto:dafindley@mindspring.com).

### **“Future Project Controls & Estimating Skills”**

Bob Boyd developed a questionnaire and distributed to each participant at the meeting. The group had time to read and answer the questionnaire. Bob moderated the discussion with the group as we all work through the list and discussed different beliefs and what will be required in the future to perform project controls and estimating activities. We are seeing different technology shifts all the time. As technology changes so will our systems and tools. On average, it takes about 2–3 years to develop a new tool and work out any bugs.

Listed below are some of the questions presented that gained the most discussion with the attendees.

1. Will we need to be more computer literate & flexible? Excel will not be a tool of the future, and will probably become extinct in approximately 10 years. We must learn how to use new integrated tools and shift our worksheet efforts to the new integrated tools. This is because the workforce must become more efficient and the data more useful. It is expected that our profession must shift from 20% data analysis and 80% data gathering to 80% data analysis and 20% data gathering. This will require the use of integrated tools that will allow standardization, consistency, analytics and visualization to occur. You just need to see what is happening with BIM technology as it moves towards 5D.
2. Can persons without degrees be hired for this profession? Will we need to be knowledgeable about Math, Algorithms and Statistics? Higher education will be required with emphasis in Communication, Math and Computers. Students need to know how to write formulas or to understand the formulas being written for analytics of data being captured, spotting trends, and predictive modeling. Writing and understanding algorithms plus recommending solutions or mitigation strategies will become a necessary skill. Students will need to be highly skilled in order to develop algorithms.
3. Will the Project Manager position die? This is a new skill to be learned. Everyone will become a project manager because of the data that will become available and expectations for everyone to analyze it based upon their expertise. Will we working in a virtual environment? Workers will need to become flexible since resources will be shared between offices. The typical project team approach, all located in one office, is slowly disappearing.



4. Will the laptop disappear in the next 5 years? Maybe, some say yes and the laptop will be replaced by tablets like the IPAD. Currently IPAD's don't have sufficient memory as compared to laptops, but in the future as technology continues to develop they will most likely replace laptops.
5. Will mobile devices replace the laptop? Maybe. Think about how often you use your mobile phone to check email, surf the internet, research products, etc? Is there a difference between the younger and older generation regarding use of mobile apps? YES. Fast mobile site are vital and with developers noodling with software that works like a brain, mobile devices will be getting a lot smarter. Apps will be making swifter decisions, recognize objects seen by the camera, and in 3 – 5 years interactive holograms will become available. 3D imaging will have practical business applications, such as data presentations and controlling devices remotely.
6. Other questions on the survey, but not discussed include:
  - a. Fortune 500 companies identified 5 Basic Knowledges and 11 Applied Skills.
    - i. Basic Knowledges
      1. Reading comprehension
      2. English
      3. Mathematics
      4. Foreign languages
      5. Science
    - ii. Applied Skills
      1. Professionalism
      2. Teamwork
      3. Oral Communication
      4. Ethics
      5. Problem solving
      6. IT
      7. Written Communication
      8. Diversity
      9. Creativity
      10. Self Direction
      11. Leadership
  - b. Will quantity surveyors be required? Will the role of requirements for a Planner/Scheduler remain the same? Will an Estimator and Cost Engineer perform the same role? Is Cost Planning a superset of Estimating.
  - c. By 2020, 75% of US jobs will require higher education. It is expected that the need will be for 122mm high skilled jobs but that only 100mm workers will be available.

Bob concluded the interactive group discussion for the evening. A special shout out to Doug Findley, Mark Spencer, Stan Ellzey, Chris Wickman, Bob Boyd and Steve Schnee for your active and engaging discussions!!!!





**2013/14 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	09 Apr 2013	Sealed Air “Greenway” Tour at Cryovac’s Manufacturing Plant in Simpsonville
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	14 May 2013	Doug Findley – Discovering New Technology
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	10 Sep 2013	Brian Matthews – The Innovation Continuum (Autodesk video)
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	15 Oct 2013	Robert Boyd – 5D BIM & Integration of Systems
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	12 Nov 2013	Questionnaire – Future Project Controls/Estimating Skills
UCSC Social Meeting	TBD	12 Dec 2013	Christmas Social (@ Asian Bistro)
UCSC Dinner Meeting	3 <sup>rd</sup> Tuesday	14 Jan 2014	Doug Findley – Project Schedule Health Checkups
UCSC Social Meeting	2 <sup>nd</sup> Tuesday	11 Feb 2014	TBD – Capturing Historical Data
UCSC Dinner Meeting	3 <sup>rd</sup> Tuesday	11 Mar 2014	John Madonna + Panel – Using Mobile Solutions in the Field
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	08 Apr 2014	Mark Spencer – O&M and Life Cycle Cost from an Owner’s Perspective
UCSC Dinner Meeting	2 <sup>nd</sup> Tuesday	13 May 2014	Donald McDonald + Panel – Mock Presentation
UCSC Meeting	TBD	TBD	Becky Spencer – ICAR Tour (Tentative)
UCSC Meeting	TBD	TBD	Tour of GE’s Facility
UCSC Dinner Meeting	TBD	TBD	John Livingood – Claims + Claim Law
UCSC Dinner Meeting	TBD	TBD	Future Presentation on How to Prepare for the CCE exam