AACE INTERNATIONAL SCHOLARSHIPS
THE 2013 CONTRIBUTORS TO THE AACE SCHOLARSHIP AND ENDOWMENT FUNDS

CERTIFICATION CORNER
AACE INTRODUCES DIGITAL BADGES FOR CERTIFICATION HOLDERS

BONUS CONTENT - TECHNICAL ARTICLE
MISUSING THE MEASURED MILE CONCEPT TO MAKE A CLAIM

PRESIDENT’S MESSAGE
ENABLING CHANGE

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BONUS CONTENT - TECHNICAL ARTICLE
MISUSING THE MEASURED MILE CONCEPT TO MAKE A CLAIM
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HOW TO SPEAK SO THAT PEOPLE WANT TO LISTEN

CLICK to watch Julian Treasure talk about “How to Speak So that People Want to Listen” presented by TED.

Have you ever felt like you’re talking, but nobody is listening? Here’s Julian Treasure to help. In this useful talk, the sound expert demonstrates the how-to’s of powerful speaking — from some handy vocal exercises to tips on how to speak with empathy. A talk that might help the world sound more beautiful.

Julian Treasure is the chair of the Sound Agency, a firm that advises worldwide businesses -- offices, retailers, hotels -- on how to use sound. He asks us to pay attention to the sounds that surround us. Treasure is the author of the book Sound Business and keeps a blog by the same name that ruminates on aural matters. In the early 1980s, Treasure was the drummer for the Fall-influenced band Transmitters.

Outside the Box will be a standing column designed to introduce new ideas and concepts from other resources and professions that may help stimulate a new way of thinking about total cost management. The views and opinions expressed are those of the authors and do not necessarily reflect the official policy or position of AACE International. We invite Source readers to send suggestions on other sources to editor@aacei.org.
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Cost or Schedule or Risk

WHY CHOOSE?

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Without exception, all of us are aware of change. It occurs in our workplaces, in our lives, in our communities. We are repeatedly advised that without adapting to, and adopting change, we stand still, or worse, lose ground and eventually our relevance.

I found several quotes on change, most were quite morbid, but one attributed to Charles Darwin seems to echo this sentiment – “It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.”

I would like to reflect on some of the changes that your Association has made and how it improves the value of AACE to you. I would also like to take time to reflect on recent successes, future changes, and how you as members can enable change.

Much has changed in the Association over the last couple of years; some of the biggest changes, particularly in governance are now in place. We have changed the constitution of the Board to provide greater coordination with the Associate Boards, added more regions, and split the VP Regions into two positions (VP-North American Regions and VP-International Regions) to provide greater representation for members all around the globe. To enable more responsive decision making, we have established a Governance Committee. Its purpose is ‘to address certain administrative and routine executive issues at that level and let the entire Board of Directors focus on strategic and policy issues when we are deliberating as a Board of Directors, thereby allowing for the entire board to consider strategic direction and policy questions.’

At your Annual Meeting the changes continue to be subtle, but are part of the ongoing process of making the experience relevant to the members, leveraging technology, and meeting the aspirations of corporate members.

To keep pace with technology, the Association continues with development of a program of webinars, for the Annual Meeting. We have an ‘app’ which provides delegates with real time information on all activities, access to all technical papers, and so much more. At this year’s Annual Meeting in New Orleans, our numbers of paid attendees for the full three days were up from previous years, and the ‘first timers’ reception was extremely well attended. It was good to see so many members enjoy the experience of our Annual Meeting.

There were many awards and recognitions, and I congratulate all recipients, and thank the nominating and awards committees for their diligent work. However, I would like to make a couple of mentions. Trevor Crawford was awarded Fellow for his work for the Association and in particular the huge contribution to our success through organization of the Annual Meeting. There were also life time achievements awards to Bob Templeton, one of longest serving members, and to Jennifer Bates, our youngest President: what change they have seen during their service to AACE.

The introduction of a specialty technical track, involving a panel discussion of cost engineering in specific industry sectors, has been very well received. We introduced the concept in Washington, DC, last year, with a government focus, and this year with the focus on the energy
industry. Planning for next year, in Las Vegas is well underway. The theme of the meeting will be mining. If you wish to be involved, or require additional information, please reach out to your President-Elect, Julie Owen, using the e-mail address of: pre-select@aacei.org.

In coming months you will see enhanced delivery of our educational and technical products, new, revised, and updated certification study guides, other print products, Recommended Practices, and more leverage of technology.

The ‘crew change’ is with us and now part of Association life. As announced, we have a new Executive Director, Charity Golden. We have seen retirements at Headquarters, and several stalwarts of the volunteer organization. Their departures leave big shoes to fill, we have adjusted, reshaped, and recruited—so the organization is well placed to build on their legacy.

Succession planning is very much a part of the responsibilities of the Board, Associate Boards, and Committees. In coming months, we will be providing clearer guidance on how to engage with the Association, how to volunteer; how to participate, at the local and regional levels, and with our technical, educational, and certification programs.

As individual members of the Association, you are the supporters and enablers of change, you provide leadership in your daily cost engineering work. AACE is a non-profit volunteer driven organization and you can enable change through simple steps: we have a Member-Get-a-Member campaign. With increased membership, we will have the additional resources to meet the needs of the membership, through volunteering you can develop your professional skills and capabilities.

In addition to the flagship Annual Meeting there are numerous regional symposiums and events planned throughout the year. During my term, I will be committing as much time and resources to supporting these events by visiting the membership throughout our 10 regions.

If you would like to contact our current president with questions or comments about The President’s Message please address your e-mail to president@aacei.org. To engage in other discussions, check out AACE International’s Online Forums at www.aacei.org/forums.
insight.

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The digital age has radically redefined how professionals interact with potential clients and employers. As a result, AACE International has partnered with BadgeCert to provide a cutting-edge technique for our credential holders to promote their hard-earned professional achievements. BadgeCert was founded by educators, technologists and lifelong learners on the premise that recognizing effort, contribution and achievement is important to motivate people to develop, progress and achieve.

The BadgeCert platform facilitates the recording, issuing, storing and sharing of digital badges to recognize, legitimize and professionalize the achievement of earning an AACE International certification by facilitating digital interaction with clients, colleagues and employers.

Effective July 1, 2014, all current AACE International certificate holders will be provided, at no charge, an opportunity to digitally deploy a “badge” for each of the certifications earned from AACE International. The digital badge may be embedded in such virtual media as e-mail signatures, web pages, LinkedIn and other social media profiles and other electronic venues. Easy-to-understand instructions and an online tutorial take certificate holders through the intuitive process of deploying the badges.

One of the major advantages of the BadgeCert program is the “bi-directional marketing” opportunity it offers our certification holders and the Association. Rather than just seeing a passive acronym next to a certificate holder’s name, when the viewer hovers a cursor over the badge icon, the BadgeCert program initiates a popup screen and provides a summary about AACE International as the issuing body, the qualifications and competencies the badge holder has demonstrated by earning the certification, when the certification was issued and a link to additional details about what the certification entails. Once an AACE International certification has expired and has not been recertified by the holder, the badge icon will no longer be displayed, providing assurances that individuals do not use a certification they are no longer entitled to promote.

“The cloud-based BadgeCert platform provides AACE International with a leading-edge solution to creating visibility for our certification holders, while effectively conveying what makes AACE International certifications unique,” commented Valerie Venters, CCP, Chair of the Certification Board. “We are offering this enhancement to our certification holders without charge because we believe this will dramatically increase awareness of the value of our certifications, as well as AACE International.” For more information about the virtual badge concept, go to: www.badgecert.com

Each current AACE International certificate holder should have received an e-mail by July 1, 2014, explaining how to sign up for the virtual badge for each of their certifications earned and how to embed the badge code into electronic media such as e-mails and websites. Obviously, only individuals with valid AACE International certification will be notified and invited to participate, Venters noted. She encouraged certificate holders to check their online records to assure an accurate e-mail address is recorded for notification purposes.
AACE International Increases Requirements, Refines Background Necessary for CFCC Certification

The AACE International Certification Board has approved significant changes in the administration and requirements for the Certified Forensic Claim Consultant (CFCC) certification. The changes are designed to clarify the scope of this highly specialized certification and to better prepare candidates for the difficulty in earning the CFCC certification.

According to Val Venters, CCP, Chairperson of the Certification Board, the recent changes provide a more realistic overview of the difficulty of the CFCC requirements to potential candidates before they begin the certification process. Among the changes approved by the Certification Board, the most noticeable may be the expansion of relevant claims experience from eight to 12 years, Venters noted. All changes became effective on June 1, 2014.

An Overview of CFCC Changes

Here are other areas where the CFCC has changed:

**Scope Changes:** The “Scope” of The Certified Forensic Claim Consultant (CFCC) is designed “for experienced claims professionals and testifying experts working in the construction dispute resolution and litigation support arenas in multiple aspects of cost engineering, project controls and project or program management; with emphasis on preparation, submission and resolution of claims through mediation or litigation; based on common law such as US, United Kingdom, etc.”

**CFCC Experience and Education Requirements:** “Twelve (12) years claims relevant experience in preparation and submission of claims, and dispute resolution; plus a four-year college degree; plus four (4) letters of recommendation from industry professionals that verify years of experience; plus an approved and current certification earned after graduation, which must be one of the following:

- AACE’s CCP; CEP; EVP; PSP; DRMP; or the Certified Construction Manager (CCM); Certified Professional Constructor (CPC); Professional engineer (PE); Registered Architect (RA); Chartered Quantity Surveyor (CQS), or Admitted to Practice Law.

- Applicant may substitute an additional 12 years of verifiable claims relevant experience in lieu of an approved certification after education for a total of 24 years of relevant claims experience.

**References:** Each candidate must present four (4) letters of recommendation from industry professionals (attorneys, in-house legal counsel, and/or clients, past or present) familiar with the candidate’s claims related experience and who can attest to the applicant’s years of claims-relevant experience.

**CFCC Written Report or Professional Paper:** Electronic submission of an expert report submitted as evidence, a formal claim submittal, or a professional paper accepted for publication, for which authorship by the prospective candidate is verifiable, any of which must have been written within the 24 months prior to applying to sit for the examination. The written report or professional paper will be reviewed by one or more of AACE’s CFCC Subject Matter Experts (SMEs) for acceptance. If the formal claim submittal, expert report, or professional paper submission does not represent the rigorous detailed analysis customarily prepared by an experienced claims analyst or testifying expert and that has been accepted for publication or submitted to a court, board, arbitration or other trier of fact in support of planned testimony, the prospective candidate will not be cleared to sit for the CFCC examination. The written report or professional paper must be submitted to certificationsubmittals@aacei.org within one month of registration.

**Study Materials:** Recommended readings should not be required for a candidate to pass this examination, since the exam is built around your claims job experience and related experience requirements, based on Common Law (such as US, Canada, United Kingdom, and Australian law). However, it may be beneficial to review the AACE’s Certified Forensic Claims Consultant (CFCC) Certification Study Guide (Free download available!).

**CFCC Registration and Application Fees:** All first time CFCC candidates are required to make application and pay application fee, followed by submission of all eligibility requirements within 30 days of application. After eligibility has been achieved, the candidate is notified and must pay examination fee before permitted to schedule the examination. The candidate is responsible for and at risk for loss of application fees if eligibility criteria are not satisfied as determined by AACE International.

For those retesting the CFCC examination, the regular examination or resit fee will apply. Please contact certification staff member Valerie Smith at vsmith@aacei.org or JoAnn Metzler at jmetzler@aacei.org for retesting registration details.

Individuals considering challenging the CFCC examination should carefully review the latest requirements on our website at: http://www.aacei.org/cert/CFCC_toolbox.htm. In addition, CFCC candidates must also agree to guide their professional practice in accordance with *ASFE's Recommended Practices for Design Professional Engaged as Experts in the Resolution of Construction Industry Disputes*, as well as the AACE International *Canons of Ethics.*
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Submit your abstract by August 31, 2014
Submit your paper by January 31, 2015
Submit your presentation slides by March 31, 2015
Register for the Annual Meeting by May 31, 2015
Elena Rybina was born and grew up in a small town near Moscow. She obtained her undergraduate degree in aerospace engineering and specialized in spacecraft and upper-stage rocket design. She enjoyed her coursework in celestial mechanics, ballistics, dynamics and higher math. Upon graduation aerospace jobs were scarce, so Elena searched in the construction industry.

She obtained her first job working for the PMSOFT group of companies. PMSOFT is an Oracle Platinum Partner and provides a full set of consulting and training services in the field of project management and cost engineering in Russia and Commonwealth of Independent State (CIS) countries. Elena’s first project was software design for the Moscow metropolitan subway. She enjoyed learning all about subway construction and immersed herself to learn all of the techniques and new terminology. She designed and delivered the software product on-time and within budget.

Her next software project was developed for a power generation and transmission client. She was involved in learning about electrical substation construction and installation of underground and overhead power lines. Elena found herself developing cost management solutions for her clients primarily focused on capital expenditure management.

Elena became heavily involved in project controls when she designed and implemented a cost management application that provided capital planning, scheduling, budgeting, earned value, accounting integration and analytical reports. She first deployed the cost management system for the largest oil and gas company in Russia that was working on-site in Siberia. She worked collaboratively with her client and their staff to ensure the system met their needs and functioned properly. She enjoyed working with staff on-site and was instrumental to communicate the benefits of the new cost management system.

Elena’s experience and responsibility grew within PMSOFT and she currently serves as Chief of the Cost Engineering Division. She instructs courses in Cost Management at PMSOFT to staff and clients to convey the benefits of best business practices. Her firm has many young professionals that she works to mentor in concepts of cost engineering.

Elena was introduced to AACE International through her boss, Alexander Tsvetkov, General Director of PMSOFT. PMSOFT became a corporate member firm in 2012, and Elena says she is grateful for her membership. She attended the AACE 2012 Annual Meeting in San Antonio,
Elena was introduced to AACE International through her boss, Alexander Tsvetkov, General Director of PMSOFT. PMSOFT became a corporate member firm in 2012, and Elena says she is grateful for her membership.

Texas, and enjoyed meeting the technical experts and professionals who shared the same work ideology and interests. She says this experience provided opportunities to explore best practices and share ideas with fellow professionals.

Elena has become very active with the AACE Greater Russia section and attended the 1st International Total Cost Management Conference in Dubai, the San Francisco Western Winter Workshop in Lake Tahoe, Nevada, and also the 2013 Annual Meeting in Washington DC. Her goals for the next year include AACE certification and also opportunities to present a technical paper at an upcoming AACE Annual Meeting.

Elena shares these words of wisdom of career success for any professionals that follow behind her. She says, “for true success professionals must strive for knowledge, continual improvement, trust intuition, pay attention to project performance and interpersonal relationships.”

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A Framework for Life Cycle Cost Analysis of Sustainability Features in Buildings—Sustainability has been heightened to a new level of importance, due to the current global race for commodities and conservation of our environment. Buildings are of particular interest since they are significant contributors to consumption of resources. Since the inception of the LEED (Leadership in Energy and Environmental Design) rating system, there has been a constant increase in the number of LEED certified buildings green buildings. Do green buildings truly provide financial benefits? What framework needs to be in place and followed to gauge these benefits? This paper focuses on the creation of a framework for the life cycle cost assessment of sustainability features in the areas of mechanical, electrical, and plumbing components further subdivided into green and non-green base construction, consumption, operations and maintenance costs to generate percent savings or percent added cost. The findings of the research were also compared to leading researchers in the field of costs of building green. A case study was researched based on a recently designed and constructed dormitory, awarded LEED Gold Certification, of a major higher education institution.

Nakisa Alborz is a LEED accredited professional with a specialty in building design and construction. She is currently a Ph.D. student at Worcester Polytechnic Institute (WPI) in the Civil Engineering and Environmental Department, researching the post occupancy evaluation of LEED certified residence halls. Her professional work experience entails a decade of cost estimating and civil design works for consulting companies and contractors in the areas of heavy civil infrastructure, residential and commercial properties. She is one of the 2013 recipients of the AACEI US scholarship competition and has previously presented at AACEI’s first international Total Cost Management Conference in Dubai, UAE and AACEI’s 56th Annual Meeting in San Antonio, TX. Some of the notable projects she has worked on include the program management of Mount Washington Hotel and Resort Improvements, which won the CMAA 2009 award for Program Management of the Year and Honolulu High Capacity Transit Corridor Project in Honolulu, HI. She is currently situated in Boston Massachusetts and is accessible via email at nalborz@hotmail.com.
Recruiting qualified professionals has never been easier.

The AACE Career Center is the most effective way to find leading practitioners in the total cost management profession. Unlike generic job posting services, AACE International commits to not only helping you hire the best person for your position, but also helps you develop that individual to their fullest professional potential by offering a complimentary AACE International membership for the balance of the year the person is hired or a $150 discount toward registering for an AACE International credential such as CCP, CEP, CFCC, EVP, or CCT.*

About AACE International
Since 1956, AACE International has been the leading-edge professional society for project managers, schedulers, cost estimators, cost engineers, and project control specialists. AACE International is the authority for total cost management. Promoting the planning and management of projects, programs, and portfolios, AACE International is the largest organization serving the entire spectrum of project management professionals. AACE International is industry independent, and has members in over 80 countries.

*A in order to qualify for this incentive, your company must advertise an employment position with AACE International’s Career Center for at least two months. Once you hire a person for that position, regardless of the source, AACE International will give you the option of either having that new person’s membership paid for the balance of the year or a $150 credit toward the new hire earning his or her AACE International credential. This is non-transferable. Should the person you hire already be a member in the current year, we will extend their membership for another full year. New hires made after October 1 will receive membership benefits for the balance of the current year plus the entire next year. If you are not familiar with the many benefits of being an AACE International member, we invite you to review our online membership presentation at www.aacei.org/mbr/presentation/
In today’s complex, litigation-prone business environment, individuals with the proven capability to assess risk and guide organizations to the best decision possible are in high demand. AACE International’s new Decision and Risk Management Professional™ (DRMP™) certification program establishes credentials that recognize professional expertise, skills and knowledge in the decision and risk management area of practice within cost engineering.

If you desire to be recognized for strong skills and knowledge in decision and risk management as it relates to project management, the DRMP certification was made for you.

Candidates may include but are not limited to risk managers, decision and risk management consultants, capital program managers or planners, project managers, value engineers and any cost engineering professionals focusing on asset and project decision and risk management.

Skills and knowledge range from analytical (e.g., statistics and modeling) to socio/psychological (e.g., risk elicitation and communication) to management (e.g. risk response planning and management).

For more information about the new AACE International DRMP certification, go to www.aacei.org/cert/DRMP/
Sam Elachkar currently resides near Los Angeles, California where he is an active member of AACE International Southern California Section. He currently holds the Newsletter Editor officer position.

Sam has over 7 years of experience within the construction management and project controls professions. This experience was attained while working for operating and contractor companies in the Oil & Gas, utilities and infrastructure industries. He earned a Master of Science in Civil Engineering from California State University, Fullerton, and has earned a B.S. in Construction Management from California State University, Pomona. However, Sam’s interest in construction began much earlier than this.

Some of Sam’s childhood experiences that he says were important to shaping his career included visiting project sites with his dad over summer breaks. While on these projects for local colleges and schools, Sam kept himself busy helping his dad inventory lumber. These experiences inspired his chosen field for education in construction and engineering.

While completing an internship with a consulting firm, Sam discovered that he was not challenging himself enough with the project management duties he had been assigned. Therefore, he decided to take an interest in understanding the complex nature of the various construction projects his firm was undertaking. This eventually lead to Sam’s introduction to project controls, which he witnessed by shadowing a company consultant on one of the projects. The project controls methodologies Sam was exposed to sparked his interest, which lead him to further research the industry on the AACE International website. His research ultimately led him into the exciting career of project controls.

Sam’s first role in project controls was as a Project Controls Engineer for Southern California Edison. In this role he assisted seasoned project schedulers and cost engineers during the turnkey construction of capital projects, which included substations, communication buildings, substation expansions, redundant telecommunication systems and transmission lines between substations. As Sam gained experience in this area and took on more responsibility, he became intrigued with the metrics and analytics used to improve confidence and accuracy of project estimates and schedule’s.

Learn to communicate with other professionals within your industry, it’s a fundamental skill you need to develop to become successful in any career. AACE can help you develop socially and professionally by going to the presentations and networking events.
Sam also acknowledges that the Southern California Section has been very accommodating and willing to teach him everything about the project controls profession.

Now Sam uses analytical tools when approaching every project opportunity. Sam explained, “The attraction was the analytics, I get to understand how much a construction project cost and why. When I build a schedule based upon different factors and there is no correct answer, there are multiple ways to reach the same solution however you need to figure out the best route to take with the conditions you are presented with. The best part is the technology; there are many different programs or software’s that have been built in the last 10 years and its ever evolving.”

Currently, Sam works as a Facilities Engineer for Chevron Corporation supporting the management of T&M contracts, which include new construction/modifications of upstream facilities and supporting equipment. His focus is on projects to enhance capacity of existing production, gas, steam and wastewater systems to meet escalating market demands.

Mentorship was an essential part in Sam’s growth in his project controls career. Mark Von Leffern, a former colleague, encouraged Sam to pursue industry certifications and participate in outreach events. These events have included lectures at colleges and universities, as well as organizing AACE events. Sam also acknowledges that the Southern California Section has been very accommodating and willing to teach him everything about the project controls profession.

Sam has experienced great early success in his project controls career and when asked what advice he would give others aspiring to do the same, Sam provided, “Learn to communicate with other professionals within your industry, it’s a fundamental skill you need to develop to become successful in any career. AACE can help you develop socially and professionally by going to the presentations and networking events.”

Sam attended the 2014 AACE International Annual Meeting, and hopes to continue in his officer role as Newsletter Editor with the Southern California Section.

The AchieveLinks Program Delivers Rewards for AACE International members!

AACE International is proud to announce that the AchieveLinks® rewards program is now available to all our members. AchieveLinks is the unique rewards program created exclusively for associations.

Just by making the same purchases you already make for your business and personal life, you’ll earn valuable LinksSM reward points that can be redeemed for exciting rewards, including family vacations, great merchandise, and once in a lifetime experiences.

According to Dennis Stork, AACE International Executive Director, “AchieveLinks maximizes the value our members get from their membership while increasing their engagement with AACE International. AchieveLinks rewards our members for purchases they make every day whether for personal or professional reasons. The AchieveLinks reward points can really add up—and be redeemed for an impressive array of rewards. With hundreds of merchants to choose from, the options literally range from A-Z with members being able to buy from companies as wide ranging as Adidas to Zales. Not only do our members benefit with rewards points, but the Association will earn non-dues income to help diversify income sources for future benefits.”

To learn more about this unique membership benefit provided at no cost to our members, or see a list of earning opportunities and reward options, visit www.achievelinks.com.

Better yet, activate now before the holiday season and start earning Links today!
Putting together a successful career as a practitioner in Total Cost Management can be a challenging puzzle. Thousands of motivated individuals throughout the world find themselves in need of advice and guidance from more experienced professionals. Rather than allowing young professionals to flounder, AACE International embraces a structured Mentoring Program to match experienced TCM professionals with the protégés who need them the most.

Isn’t it time you put it all together?

Become an essential part of the AACE International Mentoring Program
Learn more at www.aacei.org/career/mentor
Almost $40,000 was generously contributed by AACE members and others in 2013 to the AACE Scholarship Fund and the AACE Education Endowment Fund. Following is a list of those who contributed $100 and up. Some donors asked to remain anonymous and are not included on the published list. There were also a large number of donors who contributed amounts less than $100 and these individual donations are also not published. However, the AACE Education Board that oversees all of the Scholarship and Education Endowment gifts thanks each donor for their contributions.

The funds are allocated and tracked among several separate AACE budget line item accounts. Included are the: AACE Endowment Fund, a general donation fund, a general scholarship fund, as well as separate Canada, international, and US scholarship funds, and a scholarship matching fund.

Beginning in early 2015, we will publish a report of contributions to the AACE Scholarship and AACE Education Endowment Fund for the calendar year 2014. The AACE Board of Directors also previously approved a motion to allocate a $5 per member transfer to the Endowment Fund from each membership dues renewal per calendar year renewal period. Those dollars are not included with this list of individually contributed gifts to the Scholarship and Education Endowment funds.

A section of the dues invoice that AACE members receive has information on contributing to the Scholarship Fund, Education Endowment, Dunfield Award Endowment and Keane Award Endowment. Contributions can be made throughout the year. Scholarship information is available online at the AACE website at: http://www.aacei.org/awards/scholarships/

ENDOWMENT FUND
Contributions for 2013 totaled, $12,426.00.
Those giving:
$100.00 and Up
Mark T. Chen, PE CCP
Ryan Anthony Devereux
John O. Evans, PSP
Peter W. Griesmyer
Tibor Magyarosi
Marimuthu Manivarma, CCP
Dennis Stork
William Taylor

AACE SCHOLARSHIP FUND
Contributions for 2013 totaled $6,632.01.
Those giving:
$100.00 and Up
Thomas L. Kondziolka
Tibor Magyarosi
Kul B Uppal, PE CEP DRMP
Clive D. Francis, CCP
Wallace Anthony Halse
Joseph Henry Knick, PE EVP
James Charles Perry
Richard J. Sieracki
Harvey J. Welker
James G. Zack Jr., CFCC
SCHOLARSHIP FUND—US
Contributions for 2013 totaled $2,397.50. Those giving:

$1,000.00 and Up
AACE San Francisco Section
Revay and Associates Limited

$100.00 and Up
Alvin T. Rubalcaba, CCP

SCHOLARSHIP FUND—Canada
Contributions for 2013 totaled $4,500.00. Those giving:

$1,000.00 and Up
AACE Aurora-Edmonton Section
AACE Chinook-Calgary Section

SCHOLARSHIP FUND—International
This is a relatively new fund as the scholarship program was expanded internationally. While there were individual contributions in 2013, none were at the level of $100 and up.

SCHOLARSHIP FUND—Matching Funds
Contributions for 2013 totaled $7,500.00. Those giving:

$1,000.00 and Up
AACE National Capital Section
AACE Upcountry Section
AACE East Tennessee Section
AACE Arizona Section
AACE Atlanta Section

$100.00 and Up
AACE North Florida Section

Special Thanks to the AACE Finance Department
The Publications Department thanks the AACE HQ Finance Department, specifically Janice L. Johnson, CPA, Manager Finance, and Accounting Assistant/Accounts Receivables, Kayla Smith, for their assistance. Johnson coordinated and supervised the data collection and Smith spent hours pulling data from the 2013 files and reports to compile complete lists of all donations made to each of the above funds. Thank you for a job well done.

SECTION DUES TO BE PAID ONCE A YEAR INSTEAD OF QUARTERLY

As part of an association-wide effort to increase efficiency and effectiveness, AACE International will distribute dues to sections once per year, in January-February, rather than quarterly. One of the more labor-intensive aspects of AACE International’s financial process is accounting for section dues.

With every membership transaction, $18 of the $160 received must be assigned to a specific section, reconciled quarterly, and money transferred to the sections bank accounts or held in a liability account on behalf of those sections that don’t have bank accounts. This quarterly reconciliation and distribution has been a significant drain on limited accounting sources, not only from the transactions themselves, but servicing the e-mail and telephone inquiries from the sections asking where the checks are or disputing some minor difference between the sections calculations and headquarters totals for membership.

The current process does little, if anything, to add value to the individual member. Consistent with the recommendations of the book, Road to Relevance, used as a blueprint for the AACE strategic plan, we believe we can reduce the transactions and staff time wasted in the reconciliation and transfer of funds to sections by more than 75% through this change in processing section dues.

Effective in 2015, AACE International will pay section dues in January, predicated upon their membership as of December 31, 2014. This would include all paid members from the previous year, as well as any new members for that year that had paid as December 31. For example, if a section had 90 members who had renewed or joined for the first time in the previous year and 10 members who had joined for the first time since October 1, that membership total would be 100. Our accounting staff will take the regular and associate membership totals by section and then distribute $18 per member to the section. This one-time distribution would be the entire section dues for the coming year.

Among the major advantage of this method would be that it would reduce headquarters staff time associated with reconciling these accounts by hundreds of hours per year, reducing overtime and delaying the need to add additional accounting staff. It will streamline the membership dues process and provide sections with funding in advance to make section budgeting easier. This should reduce the time for the volunteer local treasurer expended handling and accounting for section funds.

The changes will also make it more efficient to serve our international sections. The new process allows us to reduce our wire transfers by 75% for those sections with bank account and facilitate communications regarding the amount of money available to international sections that we maintain an account for at headquarters.
Abstract: In construction, the “Measured Mile” is a frequently-cited damage calculation methodology associated with claims for loss of labor productivity. There is no single implementation for the “Measured Mile”—it is more concept than prescription. Proper “Measured Mile” claims are compelling. However, recent trends in “Measured Mile” claims represent a transformation and weakening of the otherwise reliable and repetitiously-lauded methodology. The purpose of this article is to identify, through actual and recent examples, trends in claims which represent a diminishing transformation of the “Measured Mile” methodology. Given the expanding spectrum of “Measured Mile” claims, there is a need for the industry to structure nomenclature, protocols, and a hierarchy of implementation such that “Measured Mile” claims can be properly associated with new and varying accolades (or criticisms) of the different ways to perform the calculation. This article was first presented as CDR.1402 at the 2013 AACE International Annual Meeting in Washington, DC.

Key Words: Measured Mile, claims, construction, and labor productivity

Statement of the Problem

Labeling a labor impact claim as “Measured Mile,” is like labeling a food as “all natural.” Reality is that there is no one truth behind either label, or in the meaning of that label affixed to a particular product.

Consumers must be aware of this reality, and approach the labeling with some skepticism. Nomenclature, protocols, and validations for both labels remain to be established.

Sure, all natural produce may be grown without pesticides, but what all natural fertilizer was used along the way?

What are we, as the consumers, buying and digesting when we pay for such products? It is important for those of us interested in healthy foods and “Measured Mile” damage calculations to look beyond the labels, in order to understand the truth of the product: What is this? What are its ingredients? What standards have been used in its production?

Has it been washed off?

As consumers, claimants, defendants, litigators and arbiters, we must have a hunger for understanding the meaning behind the labels. Whether in the kitchen or the court room (or anywhere in between), you are, after all, what you eat.

For loss of labor claims and calculations, the label “Measured Mile” is easy to apply, and its packaging is printed with accolades in an almost involuntary manner: “the most widely accepted method,” “the most credible,” “the most reliable,” “the most accepted method to determine a loss of labor productivity,” “the best approach for analyzing and quantifying productivity disruptions,” and “recognized by courts across the country.”

To a claimant, the apparent reliability and wide acceptance of the “Measured Mile” make it an attractive concept. If recovery is the claimant’s objective, minimizing risk in achieving that objective is a smart move. Its accolades make the “Measured Mile” sound like satisfaction is guaranteed. The claimant’s recovery merely awaits an internet search for a provider of this elixir of damage calculations, and then delivering to the alleged liable party the package affixed with the label “Measured Mile.”

Recent examples demonstrate a nonchalant attitude toward the calculations and labeling of claims as
“Measured Mile.” To be expected, the narratives of these claims include the very accolades cited above. But behind the label, each claim violates basic concepts of the “Measured Mile,” or otherwise assumes reliability and accuracy despite an implementation process that is not the “Measured Mile” in its highest or most pure form.

In recent experiences with poorly-applied “Measured Mile” calculations, the matter is not one of near-mathematic certainty in an otherwise proper damage calculation, but instead of mis-application and mis-representation of the methodology.

The result is that the label of “Measured Mile” is being mis-used. In its mis-use, strength and accuracy are being over-stated. This is important for the claimant to be aware of, so as not to have unreal expectations of each and every “Measured Mile” calculation developed on its behalf. Of course: strength, accuracy, and mis-representing the “Measured Mile” label are of obvious interest to the party of whom liability is being claimed.

While providing practical guidance for anyone involved with a loss of labor efficiency claim, labeled as a “Measured Mile” analysis, the purpose of this article is to draw attention to the increasing need for the industry to structure nomenclature, protocols, and a hierarchy of implementation for the “Measured Mile” methodology.

Quick Review: Loss of Labor Productivity and Measured Mile

Labor is a fundamental component of project cost. Contractors have an interest in minimizing and/or recovering labor cost over-runs (impact). A “claim” for labor impact, whether made in predictive or forensic fashion, will most likely require a calculation and demonstration of potential or alleged impact [2]. The usual process is that first, the claimant must establish entitlement with a cause and effect demonstration, and then second, the claimant must quantify the damages. The two-steps must be supported by, or be prepared to support, the actuality and scale of impact being claimed.

The “Measured Mile” is a means of quantifying labor impact. A definition of the “Measured Mile” was published in 1986:

“A baseline of the most efficient progress may be used, as in cost reporting, to forecast total hours at that performance rate for comparison to the actual costs incurred so as to isolate the inefficient portion of these costs [7].”

The strength of the “Measured Mile,” and the concept upon which the accolades of the “Measured Mile” are bestowed, are its apparent use of actual labor calculate damages. Unlike other methodologies which use estimated or planned labor to determine a baseline or expected labor rate, the “Measured Mile” has an “advantage” in its use of actual labor to determine a baseline or expected labor rate [4]. This represents an improvement over Total Cost and Modified Total Cost claims, or so it seems, because those methodologies rely on a baseline of estimated cost.

There is no mistaking the accolades of the “Measured Mile,” and for those “Measured Mile” calculations that are properly performed and presented, the accolades are deserved. A proper “Measured Mile” is, literally, the top of the chart for preference, reliability, and credibility of recommended methods to estimate lost productivity [1].

However, there is no single application or format for the “Measured Mile.” Its implementation is a variable, not a given. Because of its variable implementation, the “Measured Mile methodology” is more a “concept” to guide the damage calculation and its presentation (as well as any review), than it is a prescribed implementation.

The variability in “Measured Mile” implementation is evident reviewing its descriptions in industry references:

• “…The measured mile method typically compares…[3].”
• “This method, in its purest form, compares…[6].”
• “The measured mile is most accurate when…[5].”

The accuracy (or purity) of the calculation is not, therefore, guaranteed by its label as a, “Measured Mile.” If there are typical efforts, a purest form, and examples when the “Measured Mile” is most accurate, then also there are “Measured Mile” calculations that are atypical efforts, forms of the calculation that are less than pure, and times when the “Measured Mile” results in findings at some level below most accurate.

They say close only matters in horse shoes and hand grenades, but a legal consideration in damage calculations is whether damages require absolute exactness. At issue is whether the results of mis-applied “Measured Mile” calculations fall within acceptable variance of mathematic certainty, or whether the results fall outside of acceptance as a proper “Measured Mile” calculation.

The bottom line is that a labor impact calculation can be labeled as “Measured Mile,” while the product behind the label is unhealthy. Do these atypical, less than pure, and less than most accurate examples merely represent acceptable variance on mathematic certainty? Or do these examples fall below the accolades, and in the process, become a mis-representation of the “Measured Mile?”

In order to answer these questions, and to provide an understanding of the propriety and the integrity of every “Measured Mile” calculation, due diligence must be exercised with appropriate elements of the concept and its recognized guidelines, in order to classify the accuracy and reliability of a particular “Measured Mile” damage calculation.

Every “Measured Mile” calculation and claim must be subjected to a review of the calculation components and the process as implemented, in order to validate the “Measured Mile” concept and presentation, and due diligence of the calculated results. Concepts and observations drawn from recent “Measured Mile” claims are provided in the following section.

CONCEPTS AND OBSERVATIONS FROM MEASURED MILE CLAIMS

The Modified Total Cost Claim Presented as Measured Mile

A basic yet easily challenged labor impact damage calculation methodology
is Total Labor Cost. Simply expressed, the methodology is actual labor minus planned labor.

Total Labor Cost calculations are subject to challenges of both the planned and actual labor cost components. In order to avoid such challenges, a Modified Total Labor Cost methodology can be exercised, which seeks to exclude claimant-caused errors and other inappropriate costs in the estimated and actual labor costs of the calculation [1].

Recent examples demonstrate that the “Measured Mile” calculation is being used as a Modified Total Labor Cost damage calculation methodology. In these applications, the “Measured Mile” incorporates a “modification” in terms of using alleged actual information to establish a baseline or expected productivity. The expected productivity is then projected across all labor hours, and the claim is made for the difference between expected labor hours and all, actual labor hours.

These “Measured Mile” claims begin by citing something that is undeniable: the number of Requests for Information, the number and value of approved change orders, the number of rain days, variance between early planned and actual performance dates, etc. With that, the claim assumes “cause and effect” to be demonstrated and supported, and proceeds to a “Measured Mile” damage calculation.

In these examples, the result is that with the expected labor hours deducted, all actual labor hours remaining are assumed to be associated with the alleged impact for which recovery is sought.

In a recent litigation matter, this sort of “modified total cost Measured Mile” claim was made. Review of the claimant’s total actual labor hours in combination with basic project records (daily reports) correlated claimant-caused labor impact with actual labor recorded during the alleged impact period. Numerous contemporaneous examples supported that the actual labor hours of the impact period included consistent, significant claimant-caused impact. The labor for claimant-caused impact was nonetheless included in the total labor hours of the “Measured Mile” calculation, as if associated with the condition/impact alleged in the “Measured Mile” claim narrative.

The observation here is that “Measured Mile” claims are expanding, in terms of the duration and scope of work included. A trend is to include all labor under the contract, for the entire project. The calculations with all labor for the entire duration of the project present specific concerns of accuracy and reliability. But, big picture, these are not “Measured Mile” implementations meeting core concepts: they incorporate estimated or planned labor; they do not compare identical or even similar work items (they include all work items); they often include improper labor categories, they result in unreal impact calculations, and they are provided with zero contemporaneous support demonstrating the actuality and scale of impact being claimed.

These efforts do not deserve the accolades otherwise associated with the “Measured Mile” label.

More so, the efforts are misrepresented as accurate and reliable “Measured Mile” calculations. These “Measured Mile” claims, with all labor (including improper categories) and all tasks (with no regard for similarity) spanning the full project duration represent Total Cost or Modified Total Cost calculations in disguise.

The Use of Estimated and Planned Labor in Measured Mile Calculations

A recent “Measured Mile” claim incorporated estimated and planned labor hours, as a percentage of total contract value. The incorporation of these estimated and planned hours is within the data, and yet the damage calculation is automatically represented as actual information worthy of the “Measured Mile” accolades.

In these recent examples, the claimant prepares a “Measured Mile” calculation that expresses “actual labor hours per contract percent complete.” The value or rate of actual labor hours per percent complete during a measured period is projected across a period of alleged impact.

As expected, these “Measured Mile” claims were packaged with accolades of the methodology, referring to the “actual” data in both the measured and impact periods. Certified payrolls were used to identify all actual labor hours incurred during a period. Using actual labor hours in correlation with the period of the pay applications, these “Measured Mile” claims create a ratio between actual labor hours expended and the contract percent complete indicated on approved pay applications for that period.

While there is a component of “actual” in the contract percent complete of an approved pay application, the correlation and connection (fidelity) to the concept of the “actual” in “Measured Mile” methodology is neither complete nor automatic. First, the approved pay application on many projects is an agreed estimate of work completed and not an actual measurement of work in place. More importantly, the foundation of the pay application is often a discretionary allocation of revenue (“schedule of values”) including overhead and profit, which may or may not correlate to the project labor estimate, which itself may or may not be sufficient for the work required.

The point here is not to suggest that there is no potential merit or reliability in a properly performed “Measured Mile” that incorporates sufficiently detailed and supported labor estimate (and plan) information. However, a distinction must be drawn between this type of application (which incorporates estimated and planned information, and its associated potential for error), and a different “Measured Mile” which relies entirely upon actual information.

If a “Measured Mile” calculation relies upon estimated and planned labor, then it must be labeled as such. However, recent examples affix the label of “Measured Mile” and promote the accolades of the methodology, all while incorporating the estimated and planned labor as part of the calculation—without qualification or due diligence.

The incorporation of estimated (i.e., bid) and planned (i.e., schedule of values) information into the “Measured Mile” calculation opens up that calculation to scrutiny of the estimated labor and its planned distribution.

For example, if the claimant’s initial labor estimate was low for an element of the contract, the schedule of values (pay application) labor component for that
work may be low in comparison to the labor that actually will be required. Similarly, if a claimant realized a labor estimate error prior to the establishment of the schedule of values, an adjustment may have been made to one or more other elements of the work in the schedule of values, in an attempt to recover (and conceal) the initial, underestimated item.

A labor cost error at the estimate stage represents revenue allocation error in the schedule of values and percent complete calculation(s) of the pay applications. An error in the percent complete calculation(s) will directly affect a “Measured Mile” calculation that is being expressed as, “actual labor hours per percent complete.”

While every “Measured Mile” must be able to withstand challenges associated with the applicability and reasonability of the actual labor hours included in the calculation, “Measured Mile” calculations which incorporate a component of estimated and planned labor hours also must be able to withstand scrutiny of the labor estimate, its details, and its influence on what is supposed to be a methodology with strength built on actual information.

Otherwise said, why should a labor cost estimate be left unexamined simply because it is used within a methodology labeled as “Measured Mile”?

“Measured Mile” calculations which depend upon estimated information must be able to withstand challenges of whether the labor estimate was “reasonable and free of any material errors,” much like impacts calculated using Total Labor Cost or Modified Total Labor Cost methodologies. It is for this reason that “Measured Mile” calculations which incorporate estimated and planned labor data must be submitted and reviewed together with the claimant’s detailed bid estimate file and detailed job cost report. With this supporting information, skepticism in the sufficiency of the labor estimate and of its distribution in the schedule of values may be addressed.

**Unreal and Otherwise Unsupported Impact**

The labor impact in the results of certain “Measured Mile” calculations is unsupported and unreal. These claims include generalized narratives describing the labor impact, offered together with some undeniable project truth which demonstrates no actual or specific impact associated with the claim. However, these claims are developed as if the narrative and statistic(s) fully satisfy the cause and effect support requirements for the associated “Measured Mile” labor damage calculation. These claims span the entire project. Given the (typical) accolades delivered with these “Measured Mile” claims, the results of these calculations are presented as accurate and reliable, no matter the scale of impact in the results. These claims came with no contemporaneous information validating the actuality and scale of labor impact being claimed.

All “Measured Mile” claims must have (or be prepared to provide) contemporaneous support demonstrating the nature of the impact being claimed, and validating the scale of the impact being claimed. The propriety in this need for support is particularly the case when the scale of impact exceeds real or reasonable factors typically associated with the impacts alleged in the claim (there are many reference sources available which enable general evaluation of labor impact claimed in “Measured Mile” calculations).

The narrative and support in one recent “Measured Mile” claim is comprised of 1) the tabulated variance between early performance dates planned in the baseline and as-built performance dates in retrospect of the project, and 2) quoted design clarifications and change order statistics for all contractors in a multi-prime contract (not just those of the claimant). The "Measured Mile" impact period spanned 15 months, and calculated a 341% impact to labor hours. The claim narrative listed impact factors, as if quoting from a publication’s listing of all potential labor impact categories, yet provided zero contemporaneous information to support the actuality of any/every impact factor cited.

The notion that an additional 3.41 hours of labor were actually incurred for every "should have expended" labor hour of performance in the impact period represented an impact factor in excess of reference material labor impact factors for the impacts being claimed. Certainly, the scale of impact required support beyond the baseline early performance date “variance analysis,” the quoting of at-large statistics, the listing of common impacts associated with acceleration, and the “Measured Mile” calculation.

The claimant can use installation reports, daily reports, video and photo media, and other means to record and demonstrate the actuality and scale of the impact claimed. As the “Measured Mile” incorporates more time and gets applied to a cross-section of more work items, and if indeed the scale of impact is 341%, the claim should not suffer from an absence of contemporaneous support. Instead, there should be no shortage of information provided in support of what is being claimed.

This “Measured Mile” suffered from an unreal and unsupported claim of labor impact. While the claim itself lacked proper support, the claimant (as a part of litigation) produced its project record, including a detailed bid estimate. Within other files, the claimant produced a batch of “installation reports” spanning three months, all of which were within the “Measured Mile” impact period. The installation reports showed units of material installed by type and associated labor hours, by day. In comparison of the work descriptions in both the bid estimate and installation reports, seven weeks of installation reports were able to be associated with identical items in the bid estimate. The installation reports provided contemporaneous evidence with direct relevance to the claim of labor inefficiency, none of which had been provided with or identified by the claim in support of its alleged impact(s).

In comparison of items for which a correlation was made, actual productivity ranged from a 17% impact to estimated labor to a 65% betterment of estimated labor. More than 50% of the installation reports demonstrated that actual hours were better than planned for the specific type and quantity of work performed.

The impact period spanned 15 months, the claimed impact to labor was 341%, and yet the claim offered no direct support demonstrating the actuality and
scale of impact claimed. The only support for contemporaneous labor was found in discovery, and it demonstrated conditions differing from those being claimed. This “Measured Mile” did not represent a calculation of impact for which the owner was liable—it represented mis-use of the “Measured Mile” label.

More Activities with Less Support

If the “Measured Mile” is to compare labor for work not subject to claimed impact with the labor of work subject to claimed impact, there is a need for relevance in the comparison. In assurance of relevant comparison, “Measured Mile” calculations were initially the comparison of identical work items. In time, and with the assistance of certain case law decisions, the need for identical work was expanded to the comparison of similar work.

However, in recent “Measured Mile” claims, the scope or work type consideration has been abandoned altogether, such that all labor hours for all work items in the contract are included in the “Measured Mile” calculation.

Further, this trend demonstrates a reverse correlation between expansion of work items included in the calculation, and the diminishing detail of source documents used to develop and make the “Measured Mile” claim. As noted under prior items, some practitioners have been creating “Measured Mile” calculations using only two source documents: certified payrolls and approved pay applications.

There is no information in certified payroll reports to identify type, location, or quantity of work installed, or to identify and confirm that the conditions were impacted. The use of approved pay applications to identify the percent of work complete is subject to validation of bid estimate reasonability and proper correlation between the estimate of costs and the planned labor revenue distribution in the schedule of values from which pay applications are derived.

Beyond these estimate and plan concerns, recent “Measured Mile” calculations incorporate entire scopes of contract work, representing an abandonment of the work similarity concept altogether.

The result is the establishment of an expected labor rate applied to many different activity types, most of which had not yet started. Not only is this a logical conflict (an actual or expected project labor rate for activities not yet started), but it is from this very issue that the need for the comparison of identical or similar activities arises: the actual performance of identical or similar work enables the claimant to accurately and reliably project an expected labor rate into a period of known or alleged impact.

It is this comparison of similar or identical work which gives the “Measured Mile” its credibility.

For example, an electrical contractor’s “Measured Mile” claim included in its measured period the labor to perform site work, main switch gear installation, and wall rough-in activities. These activities were used in order to establish an expected labor rate for overhead rough-in, pulling and terminating wire, equipment connections, fixtures, lighting, fire alarm devices, audio/visual equipment, security equipment, and the clocks (none of which started before the end of the measured period).

In consideration of the differing work items, varying installation conditions, and different resources, the projection of an expected rate for these other work items that had not yet been started represents an effort unworthy of the “Measured Mile” accolades. To the contrary, the application of an expected labor rate to un-started and dissimilar activities is as theoretical and hypothetical (and perhaps less applicable) than referencing the claimant’s labor rates for similar work from other, similar projects.

Whether applying labor rates for similar work from other, similar projects, or projecting an expected labor rate for dissimilar and/or un-started activities, these applications must be properly categorized as hypothetical and theoretical, in contrast to the actual as otherwise associated with the “Measured Mile” methodology.

Improper Labor Categories

The trend of expanding “Measured Mile” calculations to include more work items and more time, using less detailed source documents, and insufficiently (if at all) verified by contemporaneous support, brings with it the tendency to include labor categories that, under most circumstances, would be inappropriate for inclusion in a “Measured Mile” claim (with the impacts alleged).

The inclusion of inappropriate labor categories skews results, diminishes accuracy, and undermines the reliability of the “Measured Mile” label.

In a recent example, the schedule of values and pay applications included general conditions and administrative items. Whereas, the labor impact being claimed was re-sequencing and stacking of work areas, the measured and/or impact periods included labor cost for mobilization, temporary utilities, clean-up, submittals, progress meetings, progress schedules, punch list, owner training, and as-built drawings. These administrative and general conditions tasks were co-mingled with electrical work items including site lighting, main switch gear installation, rough-in, pulling and terminating wire, equipment connections, devices, lighting, fire alarm, audio/visual equipment, security equipment, and the clocks, and presented as an accurate and reliable “Measured Mile” damage calculation.

The claim narrative provided no support for the inclusion of these cost types in the “Measured Mile.” For example, it is inappropriate to include the labor to develop as-built drawings in this claim with alleged re-sequencing and stacking of trades. However, in review of the claimant’s detailed job cost accounting, there was a negative variance (impact) between the as-built drawing labor planned in the schedule of values, and the total, actual labor used to develop the as-built drawings. The association between re-sequencing and/or trade stacking with the labor required for as-built drawings was not explained in this claim. However, and yet again, the narrative described its “Measured Mile” as, “the most widely accepted” and “the most reliable method” of calculating damages for the impact alleged.

Many unhealthy “Measured Mile” claims include labor hours for tasks such as clean-up, temporary facilities, and punch list. These non-productive labor cost categories are inappropriate for
“Measured Mile” calculations, certainly not those that label themselves as widely accepted and reliable in application. The incorporation of inappropriate cost categories, by nature, diminishes accuracy and reliability, and sullies the “Measured Mile” label. A “Measured Mile” that incorporates these types of labor items does not deserve the accolades otherwise given to proper “Measured Mile” calculations.

Conclusions

Properly applied, the “Measured Mile” remains a strong method and concept for guiding loss of labor impact claims and calculations. The accuracy and reliability of the “Measured Mile” is widely recognized, for example in AACE Recommended Practice 25R-03, Estimating Lost Labor Productivity in Construction Claims. But, the “Measured Mile” has expanded over the years, and its implementation is now made with wide variety.

While the industry recognizes variation in implementation, “Measured Mile” claims are consistently packaged with the same accolades of accuracy and reliability, strength and legal acceptance. It is time for the industry to structure nomenclature, protocols, and a hierarchy of implementation such that claims/calculation can be properly associated with new and varying accolades (or criticisms) of the different ways to perform the “Measured Mile.”

For example, “Measured Mile” calculations and claims must be identified as incorporating an estimate and plan for labor, which is quite different from a “Measured Mile” for which purely actual labor information is used.

“Measured Mile” calculations which incorporate an element of estimated and planned labor must be provided with support (or be prepared to provide it) demonstrating the sufficiency and harmony of the estimated labor cost and allocated labor revenue.

Also, all-inclusive, contract-wide “Measured Mile” calculations are being developed using minimal source documents, such as certified payroll reports and approved pay applications. This inclusion of dissimilar resources, conditions, and work items, combined with minimally detailed source documentation is an implementation which cannot claim the highest of “Measured Mile” accolades. The strongest “Measured Mile” implementations rely upon actual labor limited to relevant comparison of appropriate and detailed cost categories, all supported by detailed information.

Generally, these minimally sourced, contract-wide “Measured Mile” calculations are more appropriately categorized as Total Cost or Modified Total Cost methodologies. The claimant establishes a plan or baseline, against which some actual performance is compared, and the variance claimed as damage. There is estimated and planned labor in these damage calculations, which along with actual costs, must undergo due diligence. The usage of estimated and planned labor in a “Measured Mile” calculation does not eliminate the need to demonstrate its sufficiency.

Often, with the abandonment of similar or identical work items in order to calculate a project-wide “Measured Mile,” expected labor rates are being claimed for different items that have yet to be performed (by the end of the measured period) on the project. This is a fundamental transformation of the “Measured Mile,” abandoning any consideration of similarity in scope, resource and installation conditions. Claiming an expected rate for dissimilar and/or un-started work items is contrary to the very nature of the “Measured Mile.” There needs to be a firewall between such implementations and the “Measured Mile” accolades which have developed from the comparison of identical or similar items actually performed in both the measured and impact periods.

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The Aurora Edmonton Section came a long way this year, ending the program year by receiving a Platinum Award at the recent Annual Meeting in New Orleans. The Platinum award is the highest of four levels of awards in the annual Section Recognition Awards program. The Platinum award is for sections scoring over 1,500 points on their submittal. This was the first time since the section was chartered that it received the top level award. In 2014, nine sections received Platinum awards. Seven sections received Gold awards (scoring between 1,000 and 1,499 points); four received Silver awards (scoring between 700 and 999 points); and one section received a Bronze award (scoring between 400 and 699 points).

The Aurora Edmonton Section conducted its annual election in May. Elected to the section board of directors for 2014-2015 are: shown above from left to right: Ramon Ombac, publicity director; Paul Adrian Lonescu, member-at-large; Alex Arul Prakassam, website marketing director; Mohamed Abdelgawad, president; Shane Calder, member-at-large; Vishal Sharma, vice president; Don Mah, treasurer/past president; and Pranab Deb, member-at-large. Not shown are: Emmie Pena, events director; Justyna Krzysiak; Robin Mao, education/scholarship director; and Ming Lu, Faculty representative director.
The Aurora Edmonton Section’s board of directors met in April. Shown above from left to right are: Justyna Krzysiak, Mohamed Abdelgawad, Ramon Ombac, and Emmie Pena. Each board member nominated an organization to receive a $1,000 donation from the section. From this list, two were selected as awardees and each received a check. This included the Habitat for Humanity and Hope Mission. This was an initiative by the section to give back to its community.

The Aurora Edmonton Section was represented by Section President Mohamed Abdelgawad and Section VP Vishal Sharma, shown above from left, in April when the section presented checks for $1,000 each to Kate Somerville of Habitat for Humanity and to Ron Knol of Hope Mission. The section said it was giving back to its community with the donations.
The Aurora Edmonton Section sponsored a Risk Workshop in May. Shown above are the workshop attendees. The workshop was presented by Yohannes Afewor. The section has plans to make this risk workshop an annual section sponsored event. The workshop covered the risk management process, common techniques, application of risk management and ended with discussion.
The Aurora Edmonton Section had a successful 2013-2014 program year. For the first time in section history, the section received top honors with a Platinum award in annual Section recognition competition and judging. Shown above at the recent AACE Annual Meeting in New Orleans, where the awards were announced, are; from left to right, Ming Lu, Mohamed Abdelgawad and Vishal Sharma. The prior year the section had received a Silver award, but this is the first top award for the section.

In May the Aurora Edmonton Section sponsored a student poster contest at the Faculty Club. Above, Robibul Hossain Khan, Tareq Hossain Khondoker, Robin Mao, the Section Education Director, and Dr. Jianfei Xu discuss the entry posters submitted by the students.
The Aurora Edmonton award came after lots of dedication and effort from the section board and the section members. The section had received a Silver award for the 2012-2013 year. Moving up to the Platinum Award for 2013-2014, didn’t come that easy! During the year, the section sponsored eight dinner meetings, held the 8th annual Skills and Knowledge section workshop, conducted its first risk workshop, with plans to make the workshop an annual event; organized a student poster contest, donated and gave back to the community, and organized a social BBQ for the section!

Here are recent highlights from the successful program year:

In April, each board member nominated an organization to receive a $1000 donation from the section. “Habitat for Humanity” and “Hope Mission” were selected to receive a $2000 donation, distributed equally between both. The donation money was given during the April dinner meeting. Guest speaker, Geoff Ryan, provided a presentation for the April meeting focusing on workforce planning for earned value management.

In May, a two-day risk workshop was organized by the section. It was well attended, including 12 participants from industry. Day one of the workshop was highlighted by presentations on the risk management process and common techniques. Day two included presentations on the application of risk management, as well as an open discussion on relevant topics in risk management. During the month of May, the section able to host the first student poster contest and provide a dinner meeting presentation focusing on the new trends in construction management. The guest presenter was Dr. Jianfei Xu.

Finally, it’s summer in Edmonton! The section couldn’t leave this opportunity go without organizing an outdoor event for section members. The section board used this opportunity to organize a social BBQ. This was a joint event with ASQ. It offered members from both associations opportunities to be introduced to each others. It was also an opportunity for the Aurora Edmonton Section to attract more members to join the section and learn about AACE International. This event was offered totally free to the members of both associations.◆
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The Arizona Section was approached by Dr. Allen Chasey, PE, of the Arizona State University Del E. Webb School of Construction (DEWSC) to teach the Advanced Building Estimating class, CON483, for the Fall 2013 semester. Dr. Chasey is DEWSC’s Program Chair and Sundt Professor of Alternative Delivery and Sustainable Development. His vision for the school is to produce the ‘next generation of employees with the skills and knowledge to change the industry.’

Honored to be selected, and eager to get started, the Arizona Section realized that this inspired goal required a clear course of action, which included reaching out and engaging a range of industry experts to teach this advanced university course. Planning for the CON483 Fall 2013 began seven months in advance.

Section members, in collaboration with Dr. Chasey, worked to develop the topics, schedule, and speakers for the course. The final course syllabus included student learning objectives, as well as a detailed class schedule with different guest lecturers
assigned to nine topics. The course textbook was the AACE “Skills and Knowledge of Cost Engineering, 5th Edition.” The class speakers taught from the topics covered in the textbook, and expanded upon them from their own real-life industry experiences.

Students worked in groups to develop cost estimates in the various phases of the project life-cycle, from Schematic Design (SD) submittal, to Design Development (DD) estimate, to final Guaranteed Maximum Price (GMP) document. At each phase, the groups presented their cost estimate to the rest of the class and a panel of judges comprised of industry experts. The groups were graded on their presentation skills, accuracy, and energy.

The class was so successful that Dr. Chasey has asked all participants to teach it again during the Fall 2014 semester. All Faculty Associate earnings were donated to AACE International Scholarship Fund, and have been distributed to the three 2014 winners – two students from ASU and one from NAU. Congratulations to Jake Smithwick from ASU, Emma Card from ASU, and Sierra Holloway from NAU. All have been sent congratulatory letters and invited to join the Arizona section.

The Section Excellence Award point tally was reviewed in the old format versus the new, and the Section is on track to meet its point goals. The board would like to give a special thank you to Chris Hudson, CCP CEP, and Marina Sominsky, PSP, for their time and energy to diligently tracking and tallying Section points.

Because of its great success, the Arizona Section has been invited back by ASU to teach the Fall 2014 Advanced Estimating CON483 class once again. The board is looking into possible coordination with other local industry organizations. The endeavor is being spear-headed by newly-elected Arizona Section Secretary Matt Chappell. The section looks forward to another successful semester of helping to shape tomorrow’s industry professionals.

The Arizona Section’s May 2014 Board Meeting was on Thursday, May 22, at Hill International’s offices in Phoenix. Arizona Section Officers in attendance were Marina Sominsky, CCP CEP, Daisy Culanag, Hannah Schumacher, PSP, Heather Brown, Jason Van Dyke, Julian Anderson, Ken Harms, Marina Sominsky, Matt Chappell, CEP, and Mike Carson for generously sharing their valuable time and expertise to help shape tomorrow’s construction and cost professionals.

The Arizona Section’s May 2014 Board Meeting was on Thursday, May 22, at Hill International’s offices in Phoenix. Arizona Section Officers in attendance were Marina Sominsky, Chris Hudson, CCP CEP, Daisy Culanag, Hannah Schumacher, PSP, and Charlene Mendoza. It was the last board meeting of the 2013-2014 term, and with election results in, the new board is set to begin duties again in August. Discussion centered around expired membership renewals, planning for the next section meeting in August, and website maintenance. In addition, the board reviewed the AACE International Education Board Scholarship awards that were given to the three top-scoring applicants. Congratulations to Jake Smithwick from ASU, Emma Card from ASU, and Sierra Holloway from NAU. All have been sent congratulatory letters and invited to join the Arizona section.

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The Arizona Section’s April Section Meeting was on Thursday, April 17, at Kitchell’s offices in Phoenix. It was a joint meeting with the local CMAA, and we were pleased to welcome their members. Speaker Cari Stieglitz, PMP, of Faithful + Gould, presented on a case study for the Orange County John Wayne Airport.

Her presentation focused on the cost and project management processes implemented for the seven-year project using the Unifier software. The major terminal renovation project was set to begin during the height of the recession, and extra steps and precautions were needed to ensure project costs were tracked very carefully, and to be able to audit them at the end. By automating processes and working together as a team on one platform, greater efficiencies and transparencies were reached. The Faithful + Gould team remained onsite for the duration of the project, ensuring processes were followed and could be audited.

Stieglitz, has been implementing project management and
project controls systems for over 10 years. Her background includes establishing standardized practices as part of multiple project management office initiatives. She has managed and participated in complex projects, estimating exercises and ongoing cost and change management.

Arizona section and CMAA members and guests included: Carol Abelow, Anthony Araza, Gerald Bartkus, Daisy Culanag, Jeff Dorf, Don Fredlund, Tanya Gulchak, Brian Hochnadel, Sunitha Jain, Gary Karaboulad, Bill Lukehart, Mike McKee, Babak Memarian, Ferdie Ponce, William Rademacher, Mark Schlofman, Hannah Schumacher, PSP, Marina Sominsky, Dave Weber, and B.A. Golston, with Scott Brunton, EVP, and Martin Grace, CCP, joining remotely.

**Brazil Section**

On May 30, in São Paulo, the Brazil section conducted a lecture and discussion on, ‘Price Formation in Public Works’. The seminar was attended by 110 renowned cost professionals and related professionals from fields such as law and engineering management. The discussion reviewed price formation and its importance as a process of technical proficiency, fair reasoning and transparency that combines production costs implications for design, local conditions, as well as contractual requirements. The timing of the event was strategic, marked by essential restructuring of the official cost referential tables and controversies about budget overruns.

**East Tennessee Section**

May’s East Tennessee Section meeting was at lunch time on May 22, at the Golden Oak Grill Buffet in Oak Ridge, and the guest speaker was Oak Ridge Councilman David Mosby and his topic was, “Lean Project Management.” Mr. Mosby is a B&W Y-12 Sr. Project Manager with more than 25 years of project management experience. His education includes a Bachelor of Science in Civil Engineering, and Master of Science in Industrial Engineering (Engineering Management). Dave is a credentialed Project Management Professional (PMP), a registered Professional Engineer in Tennessee, and is very active in the Oak Ridge community serving in numerous capacities throughout the city. Currently Dave is serving his third term on the Oak Ridge City Council.

Dave’s presentation walked attendees through the Y-12 planning process for projects and how the Lean Project Management techniques could be used to provide savings to Y-12. Lean Project Management was first used in the 1990’s to identify a Japanese approach for reducing waste and preserving value. It originated from a philosophy of the Toyota Motor Company for improving overall customer value. Working from the perspective of the customer, management defined value as any action or process that a customer would be willing to pay for.

Dave shared the five core principles of Lean Project Management and stressed that it is a system or concept that focuses on the problem of project waste. The five core principles are: precisely specify the value of each project, identify the value...
stream for each project, allow value to flow without interruption, let the customer pull value from the project team, and continually pursue perfection. Application of these principles in terms of the customer’s perspective is the first step in identifying project waste. Dave went into more detail on each of the principles and how to apply them to different situations, and also shared an example using a lean value added prioritization matrix to show how savings of $160K per year could possibly be achieved in the Y-12 project planning process.

In summary, the lean value added prioritization matrix is an example of a tool that allows the team to collaborate with the customer in tailoring the project to reduce potential waste. Dave’s topic was very interesting and very current and with all of the emphasis on savings with government contracts it may become one of the tools requested by clients and the government in the future, if it hasn’t already happened. Thanks, Dave for a very interesting and timely topic.

The East Tennessee Section sponsored a one-day professional development event on May 8, at Knoxville, TN. A distinguished group of guest speakers presented talks on various project, cost and schedule management topics. Tusculum College’s west Knoxville campus was the location for the event.

The morning got off to a great start with a leadership-building themed keynote session, “The Attitude Check: Lessons Learned,” by Heath Suddleson. His book, The Attitude Check: Lessons in Leadership (Tate Publishing and Enterprises, LLC) contains the points of his interesting talk that morning.

Following the keynote, attendees then split into two learning tracks covering a variety of topics.

Heath Suddleson presented numerous project management sessions, such as, “From Project Manager to Project Leader,” to “Selecting the right tool for the job,” and Dealing with Performance Issues.” Heath is a professional speaker, author, trainer, and executive coach. He has conducted training sessions on five continents.

Bill Kraus, CCP, an AACE Past-President, gave an in-depth look at “Conceptual Estimating,” in a 2-part, 2-hour session. He is an Estimating Manager with International Aviation Consultants.

David Zimmerman told about all things risk, with his detailed, illustrated presentation of, “Risk Analysis.” He is a Senior Cost Engineer at the Y-12 National Security Complex.

Sean Neary covered multiple aspects of, “Cost Contingency,” throughout his hour-long session. He is a Project Controls Manager for Bechtel.

Larry Sheron, CCP EVP, discussed, “Schedule Contingency,” details and its applications. He is an Engineering Lead Project Scheduler for Bechtel.

All proceeds from this event went to the East Tennessee Section’s College Scholarship Fund. The Section has awarded well in excess of $100,000 to students since this program’s inception.
**Hawaii Section**  
[www.aacehawaii.org](http://www.aacehawaii.org)

The Hawaii Section completed local elections for the 2014-15 Hawaii Section Board of Directors. In May, Section Secretary Kevin Mitchell presented, “Construction Industry Trends” at the CMAA Hawaii Chapter Conference. AACE will partner again with CMAA at a Happy Hour on June 26, 2014.  

AACE Certification Training is being planned in the coming months. Please contact us if you are interested, aacehawaii@outlook.com. For more information, please visit our website [www.aacehawaii.org](http://www.aacehawaii.org).

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**Montreal Section**

On March 25, the Montreal Section enjoyed a presentation by Daniel Boyd, founder of Proji-Controle and member of EXP’s Project Management Group. With over 30 years of diverse industry experience, Dan is also an active member of professional associations including AACE International, PMI, and the Economistes en Construction du Quebec (ECQ).

The presentation was entitled, “Setting Up for Success – Integrated Project Management Software Solutions,” which included two actual case studies. The introduction provided an overview on implementing an integrated PM software system; how to go about it and what to look for. Dan then proceeded to discuss integrated software solutions—do they really work?

The core of the presentation consisted of real-life examples of PM software implementation including a Project Management Information System (PMIS).
Participating in the Montreal Section’s January panel discussion on, “Change Management—Differing Shareholders, Differing Perspectives.” were: Les McMullan, Huu Nguyen, Kato Lone, and Hagire Emrani.

Information System (PMIS) at a Canadian mining company to manage their sustaining capital and plant maintenance projects. This included development of a standardized PM framework for the management of plant projects, project funding request workflows and integration with PMIS system, project scoring and prioritization, portfolio management of plant projects (sustaining capital), project planning and scheduling, project costing, integration with SAP and assessment of incurred costs, resource planning and optimization, as well as dashboards and cost metrics. A second example was that of implementation of cost controls viewpoint. It discussed some of the contractual and construction challenges faced by the project team, including construction challenges faced by the project team, including space management of several new vessels including the 2,500 passenger Jumbo Mark IIs, to the more recent 64-car (Kwa-di Tabil) and 144-car (Olympic) class ferries. This presentation addressed the latter two classes of ferries from a general contractor’s and project controls viewpoint. It discussed some of the contractual and construction challenges faced by the project team, including how the ship construction work was organized, managed, and controlled in order to achieve WSF’s requirements.

On January 28, 2014, the Montreal Section sponsored a panel discussion entitled “Change Management – Differing Shareholders, Differing Perspectives.” The idea, conceived by Montreal Section Board members, was to invite an owner, EPCM consultant and construction contractor to share their views on the subject. The panel consisted of Kato Lone, project manager with Hatch as the consultant, Les McMullan from Rio Tinto as owner and Huu Nguyen, VP from SNC Construction representing the contractors. All panel members have been dealing with management of change on a continued basis for many years. The panel was moderated by Hagire Emrani, project controls manager at SNC-Lavalin and Montreal Section Board member.

The evening began with a short introduction and review of change management principles followed by discussion by the panel, which also took questions from the audience. The lively discussion ensued with topics such as definition of a change, types of changes, responsibility for changes, the importance of realistic baselines, trends vs. scope changes and owners of the change process. While the panelists had differing perspectives on some issues, all agreed on the importance of project and work scope definition, the need for clarity of what constitutes a change as well as roles and responsibilities and following contractual processes.

### New Jersey Section

The New Jersey Section is proud to congratulate the Section’s own, John Ciccarelli, PE CCP PSP, for his service as President to AACE International! In addition, the Section was pleased to end its 2013/2014 year with the April Section Technical Meeting in Princeton, NJ which featured speaker Bill Hart, PE CFCC PSP.

With the election of the current Board of Directors, the Section is looking forward to next year and is always on the lookout for volunteers and ideas, including technical presentations for Section meetings. Other events planned for next year include: participation in the Future City event at Rutgers University, continuation of the annual scholarship judging, restarting the annual student meeting at a local college or university, holding an earned value training event, and evaluating and updating the Section governance documents. If you have any thoughts, comments, ideas, or suggestions, please contact Section President, Mike Bennink, CCP PSP, at michael.bennink@marsh.com.

### Seattle Section

The Seattle Section successfully finished its program year on May 8 with a fascinating presentation by Eric Morrison, CCP EVP, and Brian Evert concerning, “Washington State Ferries Fleet Modernization.” Washington State Ferries (WSF) is a division of the Washington State Department of Transportation and is the largest ferry system in the US in terms of fleet size. WSF operates 22 vessels that provide transportation to more than 11 million passengers annually. This has become critical transportation infrastructure for many island businesses and residents throughout the Puget Sound and San Juan island regions, who are greatly impacted by any delays or disruptions within the system.

Starting in the late 1990s, WSF began modernizing and replacing its aging fleet, which included authorizing the construction of several new vessels including the 2,500 passenger Jumbo Mark IIs, to the more recent 64-car (Kwa-di Tabil) and 144-car (Olympic) class ferries. This presentation addressed the latter two classes of ferries from a general contractor’s and project controls viewpoint. It discussed some of the contractual and construction challenges faced by the project team, including how the ship construction work was organized, managed, and controlled in order to achieve WSF’s requirements.

Eric Morrison, CCP EVP, is a Senior Advisor for UK based Rio Tinto and is working on environmental management and closure projects. Eric is a CCC EVP, and has served on the Seattle Section Board of Directors for the past four years. Eric worked for Vigor Shipyards as a Deputy Program Manager and Controller on various state and US federal ship programs including the Washington State 64-Car and 144-Car Ferry Program. He has also worked on rail projects for Parsons Transportation Group and KJM & Associates.

Brian Evert is the Director for Vigor Lab. Vigor Lab is the builder of the Washington State 64-car and 144-car ferries, and is a leader in shipbuilding and industrial fabrication with modern facilities and a skilled workforce in Portland, Seattle and Everett. Vigor Fab constructs quality vessels of all types including double-hulled fuel barges, ATBs, excavators, Z-drive ship assist tractor tugs, auto and passenger ferries, fishing boats and cargo ships. More than 100 hulls have been fabricated in the Portland
and Seattle yards for satisfied customers across the country and around the world.

At the monthly meeting, the Seattle Section also installed its Officers and Directors for the 2014-2015 program year. The Section will be led next year by:

President – Adam Strutynski, PSP;
Vice President – John Barrett Newman, CCC CEP;
Secretary – Jon Kennedy, PSP;
Treasurer – Andrea Forderer, PE CCP;
Director of Awards – John Boatman;
Director of Education – Mark Shelton, PSP;
Director of Membership – Diana Erickson, CCC; and,
Director of Publicity and Public Relations – Chuck Lappenbusch, CCP EVP PSP.

The Seattle Section’s will adjourn over the summer months and will hold its next membership meeting on Sept. 11.

Southern California Section

The Southern California Section met May 20 for a dinner meeting at the Holiday Inn Long Beach. John Bachofer, a Supply Chain PM at Edison International, current President of the Orange County Chapter of Institute for Supply Management (ISM) and an effective college professor, gave an engaging presentation on techniques used for project quality and cost management, showcasing a 150-mile transmission line construction project in California. John’s talk was pertinent to most anyone involved in construction management and his superb skills as an educator made very interesting evening.

John is an accomplished, results-driven project manager with 15+ years demonstrated success in supply chain management, and 35+ years overall experience in the electric utility industry across a broad range of disciplines. He has successfully managed sourcing for projects ranging from $500K to $350M. Additional utility experience has included engineering design and plant outage planning and budgets, supervisory and management development training program development, facilities management, radiation protection and power plant operations.

Outside the utility industry, John has been a successful and effective college professor over the last 16+ years, at several institutions, including University of San Diego, Palomar College, Brandman University, and University of Phoenix. He consistently achieves outstanding student outcomes and faculty performance ratings.

John endeavors to demonstrate dedication to lifelong learning, and to bring a strong work ethic, results focus and continuous improvement attitude into every situation. His educational accomplishments include a Master’s degree in Organizational Management (1995, University of Phoenix), in addition to undergraduate degrees in English (1977, Muhlenberg College) and Supervision (1992, Palomar College), a Master’s Certificate in Project Management (2005, University of California-Irvine) and a Certificate in Purchasing Management (2008, University of San Diego).

John is the 2014-15 President of the Orange County Affiliate of the Institute for Supply Management (ISM) and an active member in the Orange County Chapter of Project Management Institute (PMI) where he regularly volunteers as a teacher in the “PMP Exam Prep” workshop series. John holds three professional certifications, including Certified Professional in Supply Management (CPSM), Certified Purchasing Manager (C.P.M.) and Project Management Professional (PMP).

Elected as Southern California Board members are: President, Mark Von Leffern; Vice-President, Razza Samia; Past President, Marc Glassereasurer; Treasurer, John Matsumoto; Secretary, Devang Dedhia; Certification Chair, VACANT; Membership Chair, Devi Pentapati; Events and Meetings Chair, Jim Gerdes; Elections and Awards Chair, Brian Clare; Scholarship and Outreach Chair, George Lozano; Fall Symposium Chair, VACANT; Newsletter Chair, Salim Elachar; and Website Chair, Rafael Gonzalez;

In addition, the section presented awards to the outgoing section board, welcomed the new board members for the upcoming year and formally recognized the 2013 Fall Symposium Sponsors – DRMcNATTY, Trimble, Tecolote Research, O’Connor Construction Management and Jacobs Engineering. The section had 32 attend the dinner, including 4 guests. The Southern California Section will be off for the summer and will return to the Holiday Inn Long Beach again Sept. 16.

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The digital Source magazine includes all “Section News” submissions. Source has a submission deadline of two months in advance of the issue date. Please review the following production schedule. It lists the submission periods for the six bi-monthly issues of Source magazine in 2014.

2014 Source Section News Submission Schedule

February
• Items submitted from Oct. 16 - Dec. 15, 2013

April
• Items submitted from Dec. 16 - Feb. 15, 2014

June
• Items submitted from Feb. 16 - April 15, 2014

August
• Items submitted April 16 - June 15, 2014

October
• Items submitted June 16 - Aug. 15, 2014

December
• Items submitted Aug. 16 - Oct. 15, 2014

This production schedule is based upon production schedules at AACE headquarters, as well as our printer having two to three weeks production time to take our in-house files and convert them to the Nxtbook software for posting. Enhanced features like audio, video, website links, and more will be a part of each issue of the Source. Some technology features will require additional production time and earlier deadlines. The magazine is to be ready for posting by the first of the month.

Within 2 to 3 business days of submitting a “Section News” items, you should receive a return confirmation e-mail that your submission was received at AACE headquarters.

How to Submit Text and Photos

Please submit any and all text as a part of the e-mail or as a Microsoft Word file attachment. Please submit any photo or photos as individual attachments in tiff or jpg formats. Do not embed photos in Microsoft Word files.

For photos to be used, we require either large original files or print size photos at 300 dpi (dots per inch). We can convert large 72 dpi submissions into the required 300 dpi. This process shrinks the size of the original submission. We cannot use photos taken on cell phones. For photos to be published, they must be in focus, of print quality, and wide enough to fill the width of the column layout.

Please include the names and titles of each person shown in any photos. Please list names from left to right or refer to those shown as being above left or right. For group photos please list names from left to right, beginning with the front row and working to the back. Do not list the Section officer first unless he or she is photographed on the left with guest speakers on the right.

All submissions should be e-mailed to editor@aacei.org. Please use the official name of the Section as approved by the AACE Board when the Section’s charter was approved. Never refer to the Section as a chapter.

Contact AACE Concerning Missing Submissions

Generally, all submissions received in the above scheduled times will be published in the listed issue. Items are not held because of space restrictions. There is no waiting list and no preference is given to one Section over another. Questions about incomplete submissions or failure to follow these submission guidelines could delay publication. Text will be published without submitted photos if the photo does not meet the listed quality requirements.

If a submission is not included in the designated issue, please e-mail or call the Managing Editor to ensure that it has not been lost or misplaced. Call or e-mail if you do not receive a confirmation e-mail within 3 business days of submission.

AACE reserves the right to edit all submissions and/or to refuse to publish any submissions determined by the Managing Editor or the Art Director to not meet the standards of the journal. Any appeals of these decisions will have a final decision determined by the Executive Director.

Any Section representative with questions is advised to e-mail editor@aacei.org or call the Managing Editor during regular business hours (9 a.m. to 5 p.m. Eastern Standard Time, Monday-Friday, except holidays and special closings.)
FIND THE NEEDLE IN THE HAYSTACK

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Richard E. Larew 1930-2014

Richard E. Larew, PE CCP, died Tuesday, April 29, 2014, at Mercy Hospital Hospice, surrounded by loving family members.

A memorial service was conducted on Saturday, May 3, 2014, at the First Presbyterian Church in Iowa City.

In 1975, he joined the faculty of The Ohio State University College of Civil and Environmental Engineering. There he developed the construction management program. He initiated and taught many innovative courses in this field of study and advised countless senior undergraduates and graduate students. After retiring from OSU in 1996, he and Louise returned to Iowa City.

Dick’s memory will be treasured by his survivors: his wife Louise, his sons Dr. Richard E.B. Larew (Ann) and James C. Larew (Mary) and his daughter Elizabeth G. Frost (Scott); his 12 grandchildren: one great grandson, James; one nephew and two nieces.

In lieu of flowers, the family suggests memorials may be directed to the Regina Foundation for the Regina Boys Soccer Program or to the College of Engineering Student Aid Fund at the University of Iowa Foundation (University of Iowa, P.O.Box 4550, Iowa City, Iowa 52244). Online condolences may be sent to the family at www.lensingfuneral.com or to the family at 510 Larch Lane, Iowa City, Iowa 52245.

From his AACE membership file, we learn that Richard Ellis Larew was born November 12, 1930, in Johnson County, Iowa. He attended the University pre-school, grade school, junior and senior high schools. He graduated from University High, Iowa City, Iowa, in 1948. In high school, he participated in band (drums) orchestra (piano) played football, basketball and track, served as senior class president, attended Boys State, and was involved with Scouting (Life).

From 1948 through 1953, he attended the University of Iowa and received a BS degree in mechanical engineering. In 1971, he received the MS degree in industrial and management engineering. By 1973, he had satisfied all requirements for his Ph.D. other than a thesis. He received his Ph.D. in 1976 from the University of Iowa. His higher education study was concentrated in the areas of statistics, operations research, computer science, human factors, and engineering economy.

Dr. Larew was a professor emeritus in the Department of Civil and Environmental Engineering at the Ohio State University. He was the senior faculty member in the Construction Engineering and Management Program (1975-1995). He developed and taught undergraduate and graduate courses in subjects that are of importance in cost engineering, network analysis, deterministic estimating and pricing, stochastic estimating and pricing, and value engineering. He served as research advisor/co-advisor or committee member for over 120 masters of science (MS) and Ph.D. students.

He became an AACE member in 1975. He was certified by AACE as a Certified Cost Professional (CCP) in 1996. He served as Chair of the AACE Civil Cost Committee from 1980-1982. He became a member of the AACE Education Board in 1997, and served as Editor of the Skills & Knowledge of Cost Engineering, 4th edition, from 1997-1999. He was awarded the Brian D. Dunfield Educational Service Award in 1999.

Dr. Larew authored/co-authored more than 70 articles/papers in the AACE Cost Engineering journal, the AACE Annual Meeting Transactions, and at regional and international cost engineering meetings. He served as an expert consultant/witness for construction litigation cases. He was a certified Project Management Professional (PMP) by PMI, was board certified in forensic engineering and technology by the American College of Forensic Examiners.

He started as a plumbing apprenticeship at the age of 12 in 1942, with his family-owned mechanical contracting business. He would list association with this family-owned company through 1974. He became a licensed journeyman plumber in 1948, and a licensed master plumber in 1953. He took continuing education courses with the Plumbing, General, Mechanical and Home Building Contractors; the Mechanical, Sanitary, HVAC Engineers; the Land Surveyors, Professional Engineers, American Management Association, and the Chamber of Commerce. He was a licensed Professional Engineer (Architectural, Civil and Mechanical) and was a land surveyor. His resume lists him as self-employed in the engineering-construction business from 1955-1971. In information previously provided to AACE, he explained that about 2,000 jobs were completed over a period of 15 years. About half of the work was secured by competitive bid and the balance was secured by negotiation. The negotiated work was usually design-build for US corporations. About 80 percent of the work was performed by his own forces and the remainder of work was subcontracted.

Over the years he served in various civic capacities, including the Iowa City Property Tax Board of Review, Project Green (local environmentalists); Citizens for a Better Iowa City; Johnson County Taxpayers Association, Toastmasters, Rotary, Elks, Chamber of Commerce, and Business Development. He was a Republican Precinct Committeeman, a delegate to county and state Republican Conventions, and a Scoutmaster.

During his career he was a member of several professional societies, including: AACE International, the American Institute of Constructors, the American Institute of Industrial Engineers, the American Society of Civil Engineers, the American Society for Engineering education, the American Statistical Association, the Associated Schools of Construction, the National Society of Professional Engineers, the Project Management Institute, and the Society of American Value Engineers.

The initial portion of this obituary was first published by the Des Moines Register on May 4, 2014.
The Southern California Section of AACE International will be holding the 6th Annual Fall Symposium to continue the tradition of showcasing the latest in project controls knowledge, techniques and tools. Don’t miss this valuable opportunity to connect with other industry professionals and earn CEUs/PDHs.

For more information:
Marc Glasser,
Annual Symposium Chair
marc.glasser@jacobs.com

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AUGUST 2014
1 Introduction to Time Management & Scheduling, The Southern California Chapter of the Construction Management Association of America (CMAA)
The Grand Conference Center Long Beach, CA
Contact: www.cmaasc.org

14 Project Management Basics, The Southern California Chapter of the Construction Management Association of America (CMAA)
The Grand Conference Center Long Beach, CA
Contact: www.cmaasc.org

SEPTEMBER 2014
10 Inland Empire - Owners’ Night, Doubletree Ontario Airport Ontario, Canada
Contact: www.cmaasc.org

OCTOBER 2014
16 The Disaster Conferences, The Grand Conference Center Long Beach, CA
Contact: www.disasterconferences.org

20-22 2014 ICEC World Congress, The International Cost Engineering Council (ICEC) and The Italian Association for Total Cost Management (AICE)
Atahotel Executive Milano Italy
Contact: www.icec2014.it/

20 The Disaster Conferences, The Disaster Conferences Hotel Nikko San Francisco San Francisco, CA
Contact: www.disasterconferences.org

NOVEMBER 2014
3-7 The Second Australasia and South East Asia Structural Engineering and Construction Conference (ASEA-SEC-2), The International Structural Engineering and Construction Society (ISEC)
Rama Gardens Hotel Bangkok, Thailand
Contact: www.isec-society.org/ASEA_SEC_02

Please submit items for future calendar listings at least 60 days in advance of desired publication.

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COST ENGINEERING JOURNAL

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