

President's Message ~ April 2016

Greetings:

We have had two technical sessions for our last two meetings. For the March meeting, Mike Staples from the Sandia National Laboratory presented on "Developing an Estimate to Complete (ETC) in the P6 Software – Opportunities and Challenges". Mike's presentation was very timely and highlighted the nuances necessary when using scheduling software to complete ETCs. Variances and tweaking of the schedule activities plus the use of performance metrics leads to an ETC that is reasonable and defensible. However, as most projects progress, there are slips and slides and home runs that can affect the schedule in myriad of ways. Thanks again Mike for taking the time to present at our monthly meeting.

For the February meeting Mike Ebbers highlighted cost differentials across the Department of Energy (DOE) complex due to labor wage rate variances (Davis-Bacon basis for labor rates). The same construction project was populated with the labor wage rates at eight DOE sites. Same installation production, same material costs, same problems at all sites were assumed. Lowest to highest results indicated Pantex (lowest), then a tie between Sandia and Oak Ridge, then Los Alamos, then Savannah River, then KC Plant, and finally Lawrence Livermore (highest). The difference between the lowest and highest was 154%, meaning for every \$1.00 in labor spent at Pantex, it would take \$2.54 at LLNL.

Also during the February meeting, Dennis Inman gave a brief overview of "in-scope" contingency / management reserve requirements when only one bidder is involved. Dennis indicated that a 25% contingency / management reserve may be required based on his assessment. During the round table discussion, actual hard money bids were noted at 40% to 50% higher if you have only one bidder (and they know they are the only bidder). Our DOE representative at the meeting also noted that bid costs were "dead on" when you have two bidders and the two bidders think there are more bidders bidding.

If you would like a copy of the presentation material from the technical sessions noted above, let me know and I can forward it.

Up next is Section evaluation and nomination of officers. Next Friday's meeting will involve both items, so please plan on attending. We will be submitting for recognition as a living and breathing ACEI Section at the upcoming annual meeting, (last year our Section placed in the Silver category). If you would like to be involved in the Section organization as an officer, please plan on attending and we can get your name on the ballot. If you are unable to attend, let me know by e-mail that you would like to be considered.

Attendance at our monthly meetings should be better and you should make it a point to attend if you are a member in good standing.

As an aside, and as mentioned previously, certification (and membership) helps in marketing of your company's project management services. If you are with one of the area government agencies, membership and certification also gives you access to standards and recommendations published by AACEI International (The Authority for Total Cost Management).

Don't forget to renew your membership, or become a member. We will keep you informed on upcoming Section meeting dates. Also, don't forget to visit our local chapter's website to see about job opportunities, meeting times, and a general background on activities of the chapter.

Regards;

Michael Ebbers, PE, CCP

IN MEMORIAM

Andy Padilla died on February 25, 2015. He was a lifetime member of the AACEI. Due to health reasons, he resigned as AACEI VP of regions in 2010. He was not active these past years but held membership. In the past years he helped start and kept the NM Section going and viable. Thanks Andy!

CERTIFICATIONS / EDUCATION BOARD

If you are also considering examination and registration, please begin your application process and completion of the necessary requirements. If you work in any type of cost and schedule disciplines on a part-time or continuous basis you should seriously consider becoming certified in your area of expertise. Certification validates your professional background and your commitment to providing services within your area of expertise.

Check the AACEI.org website under certifications for the necessary requirements for certification. The AACEI is going to computer based testing. R. Watenpaugh has actually sat for an exam here in town that used the computer based testing.

The current listing of certifications includes:

- Certified Cost Professional (CCP)
- Certified Cost Consultant (CCC) – NO LONGER OFFERED
- Certified Cost Technician (CCT)
- Certified Estimating Professionals (CEP)
- Certified Forensic Claims Consultant (CFCC)
- Earned Value Professional (EVP)
- Planning & Scheduling Profession (PSP)
- Certified Scheduling Technician (CST)

- Decision and Risk Management Certification (DRMC) – currently under BETA testing

Please note that our local section has workbooks that are available to you for reference and use as a study guide in the pursuit of certification. Contact Mike Ebbers for use of the books.

Other materials provide by the ACEI Education Board includes:

- Seminar in a Box
- On-Line Learning Center
- S&K 6th Edition
- Study Guides
 - Decision and Risk Management
 - Cost Estimating
 - Scheduling Primer
 - Estimating Primer

SCHOLARSHIPS

We have an ongoing campaign to give a book scholarship to an in-state post-secondary student in the construction and engineering disciplines. To this date, I believe we have had zero applicants. If you know of a student who is eligible, please let them know of the scholarship. Contact Tim Cynova for information or see our Sections website www.acei-nm.org for additional details.

Per one of our recent meetings at UNM, it was noted that there are more scholarships than applicants for the scholarships. If your niece, nephew, son, granddaughter is enrolled at UNM, it might be worthwhile to set up a date and go see what scholarships are available.