ACES NSW QUARTERLY NEWSLETTER

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In this issue:

Message from the National Chair

Dear ACES colleagues,

It was a tough 2020 as we navigated the COVID 19 pandemic which continues to present new challenges in many aspects of our lives. ACES has been fortunate to increase its collaboration and engagement in the last several months through CPD events, webinars and our advocacy initiatives (technical presentations etc.)

I am pleased to welcome Abhi Datta as the new Chair for ACES(NSW) 2021, Ali Nami as the Vice Chair for ACES (NSW) 2021 and some new faces as committee members (mentioned later in this newsletter). As the ACES national chair, I am committed to ensure that our engineering profession delivers what is best for our community and future generations in the cost sectors.

ACES will place a keen interest in mentoring and guiding the next generation through collaboration with professionals and corporate partners and inviting them to engage with ACES via specially planned events and contributions at the branch and national levels.

I look forward to working with the ACES 2021 team members with a continued focus on ACES being a credible voice for our members in our cost sector. I trust you will enjoy this newsletter and I look forward to a prosperous 2021 for all.

Leonardo Ferro
National Chair, ACES

Message from the NSW Chair

Writing as the NSW Chair for ACES and reflecting on the events of 2020, I feel it is a timely reminder that whether we work in design, project management, project controls or other engineering roles, our best outcomes are achieved through collaboration and maintaining a “tackle the problem” mindset. 2020 was a reminder of the challenges we can overcome by working together for the greater good of not only our profession but for the world we live in.

As individuals, as organisations and as engineering societies like ours, we can cooperate as well as compete. Cooperation and competition are not two ends of the spectrum. I hope you keep this in mind the next time you start to doubt whether we can solve a challenging problem or bring about innovation in projects.

Looking forward to a great year ahead for ACES and Engineers Australia.

Abhi Datta
NSW Chair, ACES

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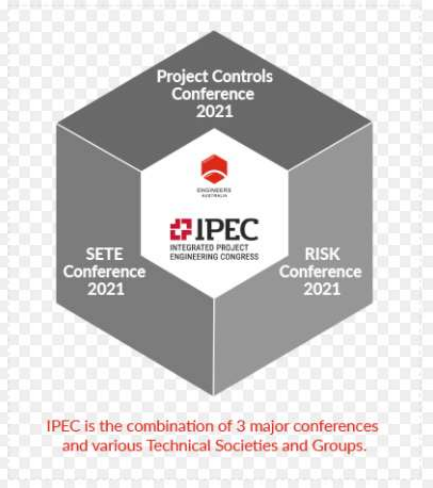
Upcoming conference

Save the date

The Integrated Project Engineering Congress is coming together well and now less than two months away. This will be a virtual event, with potential for networking at EA offices in state capital cities. Please consider registering and also forward this email to your contacts.

Your Invited! www.ipecongress.com.au



On behalf of the organizing committee, you are cordially invited to attend the inaugural Integrated Project Engineering Congress (IPEC) that will be delivered virtually **26-28th May 2021.**

In light of recent developments and the unpredictable border closures, the IPEC 2021 Organizing Committee have decided to transition the congress to a fully virtual event. All presentations will be delivered virtually, giving you the opportunity to participate in IPEC live or via on Demand from the comfort of your home or office.
We will be exploring in person networking opportunities in the Engineers Australia office locations around Australia, we will be accepting expressions of interest from participants at registration, & will engage with you on those networking events in the future.
The IPEC program will offer two full days of content featuring streams developed with key topics which coincide with the congress theme “Creating the Future Together”; attracting a high caliber of industry papers & presentations in a diverse field of Risk, Systems and Project Controls / Cost Engineering.
Register on the website above as a delegate soon. Virtual Booths & Sponsorship is available there also.

Join ACES

Get involved and make a difference!!

The Australian Cost Engineering Society (ACES) is both a technical society of Engineers Australia and the Australian home for a section of the Association for the Advancement of Cost Engineering International (AACEI). ACES membership offers great value.

ACES is a member of International Cost Engineering Council

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New committee members

ISH AHUJA

Project Controls Manager at John Holland (NSW/ACT)

Ish is a Chartered Professional and an experienced Planning & Project Controls Manager with nearly 14 years of work experience and a demonstrated history of working in the construction industry on various complex multi-billion-dollar projects in Australia and overseas.

Ish held various senior positions in the field of planning and project controls with various Tier 1 contractors, culminating in the position of Project Controls manager for National Infrastructure Team within John Holland where he is responsible for Planning and Project Controls for all infrastructure projects within NSW/ACT. Ish has successfully delivered numerous complex multi-billion-dollar projects in Australia as well as internationally including Middle East.

Ish, a father of two enjoys swimming and a bit of running and loves spending time with his kids.

VIPUL KUMAR

Estimator at Freyssinet Australia

Vipul is a Certified Associate in Project Management with nearly 5 years of work experience and is currently working for Freyssinet Australia as an Estimator handling remedial projects for New South Wales and Western Australia.

Vipul migrated to Australia last year from Dubai where he was working for Khansaheb (Interserve Middle East) as a Civil Site Engineer managing building infrastructure and fit out projects. He has also worked for the Australian Army on couple of their Defence projects where he was deployed at the Australian Army's air base for a year managing a $6M project for the delivery of civil works, vertical and enabling infrastructure for a communications facility. Further to his work experience, Vipul extended his education and skills through completing a master's in construction management from Coventry University, United Kingdom.

Apart from work, he enjoys mountain hiking, trekking and going to the gym.

HENRIQUE HEIMFARTH

Project Controls Manager

Henrique Heimfarth is a project controls professional with exceptional credentials. Project planning, contract administration and risk management are core expert areas and Henrique has had regular success in administrating contracts for Clients in Australia and in Brazil. Henrique has worked on some of Brazil's largest projects and understands what is required to drive a project controls culture.

Passionate about the value project controls can bring in the delivery of large complex infrastructure projects, Henrique is willing teacher and advisor to his peers and colleagues.

On his time off Henrique enjoys football, spending time with friends and enjoying the many eateries, restaurants and watering holes Sydney has to offer.

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Governance of megaprojects - demystified

What are megaprojects?

Megaprojects are a different breed of projects due to their complex characteristics. They are not just larger projects. Mega projects are large-scale, complex ventures that typically cost $1billion or more, take many years to develop and build, involve multiple public and private stakeholders, transformational, and impact millions of people.

What is governance?

Governance can be defined as structures and processes that are designed to ensure accountability, transparency, responsiveness, rule of law, stability, equity and inclusiveness, empowerment, and broad-based participation.

As mega project organizations are temporary organizations (in a number of cases), they need to have a governance mechanism to have an efficient decision-making mechanism with an audit trail.

Project governance extends the principle of corporate governance into the management of projects. While **corporate governance** is focused on the strategic management of the overall corporation, project governance is focused on the effective management of a project within that corporation. **Project governance** provides the management system, including protocols, processes, relationships and structure within which a project is undertaken, and key decisions made.

Why governance on megaprojects?

There is a large body of evidence that indicates good governance is critical to the success of projects and programs, the below is a selection studies, mostly from the UK:

- 5 of the 8 common causes of project failure identified by the OGC (Office of Government Commerce) in 2005 are attributable to weak governance.
- 7 of the 10 common causes of confidence identified by the OGC in 2010 are attributable to good governance.
- Following a review of 40 studies of government projects, the NAO developed guidance on Initiating Successful Projects (2011). It identifies 5 elements that are fundamental to successful project delivery of which establishing good governance underpins 3.
- ICE (Institution of Civil Engineers) Client Best Practice Guide (2009) cites establishing effective governance as one of six key responsibilities for client organisation
- PWC's 2012 Global study on Project Management trends identified that weak governance was the main contributor to project failure.

Key principles of effective project governance:

Four key principles are designed to avoid the common failures associated with ineffective project governance:

1. Single point of accountability for the project warrants clarity in leadership and timely decision making.
2. Service delivery ownership defines ownership of project delivery and ensures focus on the project outcome.
3. Separate stakeholder management from project decision making; this will make decision making groups smaller and will make decision making fast and efficient.
4. Separate project governances from organization governances in order to make project decision making and accountability separate from organizational decision making and accountability.

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Why Steer Co?

The Project Steering Committee members are not directly responsible for managing project activities.

However, it is essential that the members:

- Understand the strategic implications and outcomes of initiatives being pursued through project outputs
- Appreciate the significance of the project for some or all major internal stakeholders
- Have a broad understanding of project management issues and be able to provide guidance to the project manager on issues of importance.

Recommendation:

Mega Project / Program governance model should:

- Provide a governance structure that outlines decision making relationships, roles, responsibilities, and accountabilities, which organizations may adopt for their projects.
- The model provides a basis for building policies and procedures to facilitate an owner's control over the project and tools that organizations may utilize to improve their oversight of the project throughout the life cycle.

Theory (Ref)	*Description*
Ross Garland (2009)	***Single point of accountability for the project*** *warrants clarity in leadership and timely decision making delivery ownership defines ownership of project delivery and ensures focus on the project outcome;* ***stakeholder management from project decision making*** *will make decision making groups smaller and decision making fast and efficient; separate project governances from organization governances in order project decision making and accountability separate from organizational decision making and accountab*
Verdune (2008)	*Governance structure must include the* ***necessary coordination bodies*** *and key deliverables of these coo bodies. Effective decision making is supported by standardized PM processes that are designed to manage, and execute projects*
Crawford (2008)	*The role of an exec sponsor as a pivotal role within the organization to help ensure a successful outcor project – link between corporate governance and project governance*
Bekker and Steyn (2008)	*The framework includes 4 key concepts – project steering committee, cost and benefit management polic review and audit, requirements for ethical, responsible conduct and conflict of interest management*
Miller and Hobbs (2008)	*Structures are designed to manage dynamic nature of activities and the governance of large complex pro thus the governance regimes have to be dynamic themselves. Thus, there should be clear definition of responsibilities, establishment of a decision-making authority, use of a project Steer Co, process to ensu decision making during front end planning phase, have proactive risk management and management of*
Fernando (2008)	*All project governance frameworks should include establishment of a high-level Steer co for the project ar include the CEO if possible. The Steer Co. should have authority to establish project goals, approve release c approve project schedules, approve execution strategies, approve org design, and approve scope add deletion. He also expressed the need for a governance framework to include establishment of a Chang Board*

By Abhi Datta

Life of an Estimator, tougher than you think.

Happy reading!

For those of us in the construction industry, we know the Estimators that are more cynical than the average Joe. They appear to be more prevalent than the fun-loving young estimator. The duties of an Estimator change that fun-loving young kid into the cynic through years of performing one of the most difficult jobs in construction. So, what makes it such a difficult job? The most difficult part of being an estimator is the "lose-lose" options available on bid day. In today's difficult market almost, everything is bid with a decent amount of competition. So as an estimator you are tasked with two major goals: cover all of our costs (don't miss anything) and win the project. After the project has bid, there will be one of two questions for the Estimator:

- Why did you not win that job? OR
- How did you beat those guys? What did you leave out?

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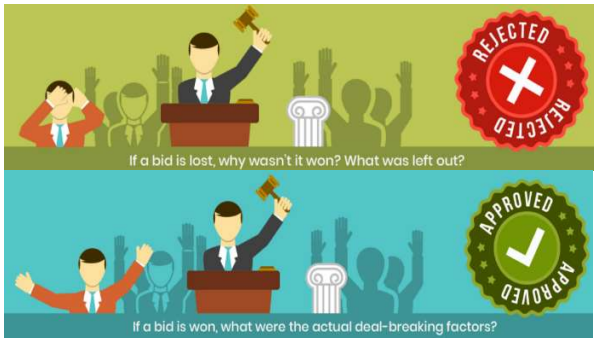
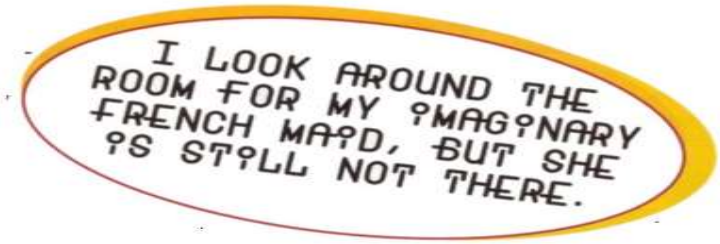
Not a very good position to be as the Estimator. If the Estimator does not have thick skin, they will develop it in a few short months.



Another factor that toughens up our Estimator population is the rigid deadlines and high stress environment of bid day. When bid day arrives bids are due at a specific time and place and in a specific manner. For a lot of projects there are no exceptions for family problems, printer problems, misreading the documents, guessing on what they expected, traffic, or getting lost. If you do not meet the requirements, two to four weeks of work is out the window. In the other pricing parts of our industry (service work, change orders) there is a lot more latitude, but not for Estimators. This pressure compounds with Executives, Project Managers, and Superintendents that may be on a different schedule and do not understand the urgency of the matter at hand. This is not to mention the affect that vendors have on their price and schedule. The entire of event of bid day is a pressure cooker that will scar the most battle-ready employees.

Let us talk job performance beyond bid day. Estimators by nature take ownership positions in the projects they pursue. If they did not, they would not win many projects and would not last that long. That ownership position does not stop at winning the project, they want the projects they estimate to be won, to be built, to be profitable, and to ensure that they have a happy client. For most Estimators, they only have direct responsibility for the first item of winning the project. After that, the project is handed off to a Project Manager that has to perform the rest of the functions. When a project does not go very well after award, some Estimators will either put the burden on themselves that should have done more, or they will blame their teammates.

A last factor to consider is the quality of their work as viewed by their peers. Since a lot of construction companies put financial responsibility and even bonuses on Project Manager's ability to bring projects in profitability, there is a tendency of Project Managers isolating every mistake an Estimator might have made. Remember that the bid period is a few weeks, yet that Estimator stands forever in time for everyone to analyze. If you are a craftsman and install a light fixture in the wrong location, you can relocate it and the evidence of the mistake is gone from view, but if you are an Estimator who misses a light fixture count the printout of the estimate is always available. This continual job review by peers, bosses, and many other parties makes estimating exceedingly difficult.



So why would anyone be an Estimator? If you are good, you only win 1 in every 4 jobs, but in today's market it is more like 1 in 6 or 1 in 10. Estimators are the cream of the crop. They are unique. They need math skills, strategy skills, reading comprehension, visualization skills, and most of all thick skin. No construction company can survive without good estimators. They take a beating day in and day out and keep coming back for more. I think it is important for everyone in the business to understand how difficult the job is so they can understand and support them as best they can. And what type of support are more estimators looking for? With the daily pressure of the job, just a little appreciation for a job well done. So go out and hug your Estimator today!

By Craig Pierce

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The Chartered Credential

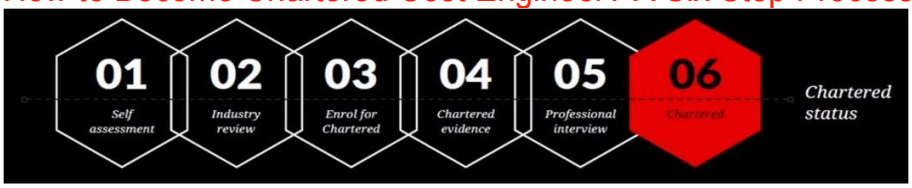
What is Chartered status?

A mark of trust, skill and expertise, Chartered status is your competitive edge. Chartered status demonstrates that you are globally recognized and recognized by the community, industry and Government as professional.

Why is Chartered status important for Cost/Project Controls Engineers?

Until now in Australia, a standard and independent way to recognise and evidence cost engineering skills and expertise has been lacking. In response to this, Engineers Australia has introduced the Cost Engineering area of practice. Chartered status as an independently practicing engineer is required to join the National Engineering Register (NER). Registration as a Professional Cost Engineer, Associate, or Technologist is an independently certified way for you to demonstrate your skills, capabilities and expertise to Clients.

How to Become Chartered Cost Engineer? A Six Step Process:



You can manage the entire chartered process online, starting with the Self-Assessment.

Learn about Chartered Area of Practice

An Area of Practice is a subgroup of the engineering profession that practitioners align their skills and work activities with. Formal education, informal education and work experience will influence how an engineering practitioner identifies with an Area of Practice. Members can seek to become Chartered in one or more Area of Practice. An Area of Practice is the 'purpose' of your work not activities that are incidental to your work.
If you are already Chartered and want to add another Area of Practice, click here.

Upcoming events / webinars / technical presentations

JUNE – Presentation on Earned Value Management
JUNE – Inland Rail Webinar (TBC)

ACES NSW Committee

Here we come!

Leonardo Ferro	National Chair
Abhi Datta	NSW/ACT Chair
Ali Nami	NSW/ACT Vice Chair
Juan Vega	Committee Member
Yan Nang	Committee Member
Mano Manoharan	Committee Member
Ish Ahuja	Committee Member
Vipul Kumar	Committee Member
Henrique Heimfarth	Committee Member