



The Australian Cost Engineering Society (ACES) Vic Newsletter – July 2019

Welcome to our 3rd Newsletter of 2019. Under our 2019 theme of “Valuable Engineering” over 80 delegates attended the second seminar on “Earned Value vs Estimate to Complete” on 21 May 2019. Our speakers were Juan Saavedra from Melbourne Uni, Roland Horat from Supertech and Chris Bier from McConnell Dowell. Juan and Roland presented on the use of earned value techniques to identify trends and Chris focussed on the estimate to complete from first principles. We are seeking a way of making the slides (19Mb) available on the ACES website.

We are looking forward to our third seminar on “**Current Tricks of the Trade in Variations**” where the speakers will be Belinda Nisbet from PWC, Danny Benjamin from Major Road Projects Victoria, and Phil Hall from PM Hall Consultants. For more details on the topic, speakers and to register click below:

<https://www.engineersaustralia.org.au/event/2019/04/current-tricks-trade-variations>

The seminar will be held on **Tuesday 16 July 2019** at Engineers Australia, Level 31, 600 Bourke Street Melbourne 6:00 for 6:30-8:00 PM.

Also on 16 July 2019 after the seminar will be the **Annual General Meeting** of ACES Vic Please consider nominating for the committee.

The Risk Engineering and Project Controls Conference 2019 was held at the Sydney International Convention Centre (ICC) in Sydney from 15-17 May 2019. This was jointly hosted by ACES, RES and EA with over 200 delegates attending. Click the link below to access reports and some of the presentations where permission has been granted: <https://drive.google.com/open?id=1vRSx9TPpcFRVIDx9c7V0elvhLmJKWliV> As you would be aware, the theme for the conference was “A time for Action – Risk Engineering & Project Controls Impacting the Future”. For the Schedulers, the presentation by Chris Carson on the Wednesday Workshop may be of interest.

Looking forward to seeing you on 16 July.

Regards,

John Paterson
Chair ACES/AAACEi Vic



Overview

The theme of 'valuable engineering' describes the method of measuring the outputs of engineering projects such as the benefit cost ratio but also allows assessment of the effect on the community, the environment, organisations and development of individuals. The theme also considers the perception stakeholders may have of the quality of work and the amount of innovation that adds value.

21 May 2019 - Earned Value vs Estimate to Complete

Why do Projects get out of control? How do we restore them to meet cost and time expectations? How can we reliably predict cost growth and schedule slip? Why do projects sit on 80% complete for so long? Speakers will explain techniques for restoring non-performing projects by addressing the accuracy of scope definition, the role of WBS and the importance of accurate field measurements with particular emphasis on earned value vs bottom up estimating to predict outcomes at completion.

<https://www.engineersaustralia.org.au/event/2019/04/earned-value-vs-estimate-complete>

16 July 2019 – Current Tricks of the Trade in Variations

What are the tools Contractors need to identify, value and obtain entitlement for variations and what should or can Owners do to avoid claims? Industry experts will share their view on what works and what doesn't. <https://www.engineersaustralia.org.au/event/2019/04/current-tricks-trade-variations>

17 September 2019 - Value Engineering - Critical Tools for Smart Choice

Are excellence and value mutually exclusive? Is cost the only imperative to measure value? How does quality affect life-cycle costs of assets? Industry professionals will describe the techniques they use to successfully improve outcomes on major projects, including the use of "how" and "why" questions to look at design alternatives that satisfy functional requirements at the lowest cost.

The ACES website is up and running

<https://www.costengineer.org.au/>

There are references to the ACES seminars run over the past 18 years including a good article from Colin Cropley on lessons learned on a number of Australian mega projects. Another item of interest were seminars on estimating in 2003 by the late Jim Slattery.

UPCOMING EVENTS

Conferences 2019

26 Nov '19	Project Controls Expo - Melbourne Cricket Ground
	https://projectcontrolexpo.com/aus/

Seminars for 2019 – Theme: “Valuable Engineering!” Note the dates and click the link for more.

16 July '19	Current Tricks of the Trade in Variations
	https://www.engineersaustralia.org.au/event/2019/04/current-tricks-trade-variations
17 Sept. '19	Value Engineering for Smart Choices

ACES Vic Committee – Meet the Team

ACES Vic Committee has been working hard to develop and roll-out the Seminar program for 2019. With the AGM following the seminar on 16 July 2019 ACES Members are encouraged to volunteer for a role in assisting the development of the profession. Current committee is.

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Secretary

Rahul Dawar

Treasurer

Stuart Chalmers

Committee members

Dorothy Saristavros
 Claudio Oliveri
 Varan Karunakaran
 Budhike Kularatne
 Laurie Pole
 Nolan Bear
 Margaret Li
 Robert Dick

So, How to contribute?... and Why?

Membership of the ACES and participation in its programs puts you in touch with experienced, like-minded professionals, who will enrich your understanding and knowledge; provide the opportunity to share your insights and develop your communication skills; enhance your reputation; and give you the satisfaction of contributing back to your profession.

There are numerous opportunities, so contact myself (johnp@jdpa.com.au) or Simon Wong (simonwingyanwong@gmail.com) to discuss the possibilities.

Gallery from 21 May 2019 – Earned Value vs Estimate to Complete



Left photo: John Paterson, Juan Saavedra, Roland Horat, Chris Bier after the seminar on 21 May 2019 on Earned Value vs Estimate to Complete.



Right photo: Roland Horat makes a point in panel discussion with Juan Saavedra and Chris Bier 21 May 2019.

AACEI New/Revised Recommended Practices

At the last seminar on 29 May 2019, we offered to share the titles of new/revised AACE International Recommended Practices, so here they are: You will need to be a member of AACEI to log on and see them. For those who are interested in AACE International we recommend your investment in the membership fee.



**NEW/REVISED RECOMMENDED PRACTICES PUBLISHED AND
DRAFT RECOMMENDED PRACTICES AVAILABLE FOR REVIEW AND COMMENT**

NEW/REVISED RECOMMENDED PRACTICES

New

50R-16: Trending and Forecasting of CPM Schedules

[CLICK HERE TO VIEW](#)

94R-18: Cost Control Software Requirements

[CLICK HERE TO VIEW](#)

95R-18: Construction Photography to Document Project Status

[CLICK HERE TO VIEW](#)

**98R-18: Cost Estimate Classification System – As Applied in Engineering, Procurement, and Construction for
the Road and Rail Transportation Infrastructure Industries**

[CLICK HERE TO VIEW](#)

Revised

10S-90: Cost Engineering Terminology

CLICK HERE TO VIEW ([HTML](#)) ([PDF](#))

[1628 terms and definitions]

17R-97: Cost Estimate Classification System

[CLICK HERE TO VIEW](#)

**18R-97: Cost Estimate Classification System – As Applied in Engineering, Procurement, and Construction for
the Process Industries**

[CLICK HERE TO VIEW](#)

**56R-08: Cost Estimate Classification System – As Applied in Engineering, Procurement, and Construction for
the Building and General Construction Industries**

[CLICK HERE TO VIEW](#)

DRAFT RECOMMENDED PRACTICES AVAILABLE FOR REVIEW AND COMMENT

Public Reviews of AAACE Recommended Practices (open to anyone)

(PUBLIC REVIEW DRAFT) **101R-19: Roles and Responsibilities of a Project Cost Estimator**

Review period ends on June 1, 2019

[CLICK HERE TO VIEW DRAFT](#)

(PUBLIC REVIEW DRAFT) **102R-19: Cost Estimate Classification System – As Applied in Engineering, Procurement, Construction, and Qualification for the Pharmaceutical and Related Industries**

Review period ends on June 1, 2019

[CLICK HERE TO VIEW DRAFT](#)

(PUBLIC REVIEW DRAFT) **103R-19: Project Code of Accounts – As Applied in the Mining and Mineral Processing Industries**

Review period ends on June 3, 2019

[CLICK HERE TO VIEW DRAFT](#)

Subcommittee Reviews of AACE Recommended Practices (open to subcommittee members)
Project and Cost Control Subcommittee

[\(SUBCOMMITTEE REVIEW DRAFT\) 100R-19: Change Management in the Construction Industries](#)

[Review period ends on June 1, 2019](#)

[CLICK HERE TO VIEW DRAFT](#)

[Cost Estimating Subcommittee](#)

[\(SUBCOMMITTEE REVIEW DRAFT\) CE-03: Cost Estimate Classification System – As Applied in Engineering, Procurement, and Construction for the Environmental Remediation Industries](#)

[Review period ends on May 28, 2019](#)

[CLICK HERE TO VIEW DRAFT](#)

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*ACES is a member of
International Cost
Engineering Council*