



# AURORA

Volume 1, Issue 2

Newsletter of the Edmonton - Section

May 2007

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It's been another successful year for our Section. This year is another very dynamic year, full of activities and a very challenging work for all the board members.

## **Skill and Knowledge Workshop**

We have a very successful Skill and Knowledge Workshop held last March. We are lucky to have Larry Dysert and John Hollman, AACE International technical board as one of the workshop instructors. We had 41 participants from various industries representing from Owner companies, to Engineering firms all the way to Constructors. This year's S&K workshop concentrated on the core aspects of project controls, specifically, Engineering Economics, Estimating, Planning & Scheduling, Progressing and Performance and Cost Management. Many thanks to both of them for providing insight to their areas of expertise and also to Lance Stephenson, our board member for Skill and Knowledge Workshop Director for dedicated coordination and at the same sharing his knowledge to all participants. All the participants were very appreciative of what they had learned on the course, even though in a broad topics in a compressed schedule. We are expecting that feedback from the participants of this course will give us a much improved seminar in the future and will also reflect to CCC and CCE certification exam.

## **Membership**

Our section is one of the fast growing section of AACE. Board is focus to provide all members the service that will enhance and share knowledge and understanding in the field of cost, project management and construction. To all old and new members, we ask you to support us, the board, in carrying our purpose. We are really in need volunteers to step up and help us. Our section future is relying on you.

## **Scholarship**

Our Aurora chapter, with the collaboration with Calgary's Chinook chapter, offered 2 scholarships to graduate students who showed a great performance during the course of their study, and working on a research topic related to cost engineering.

## **Website**

We are continually working to enhance and updating the information and services provided by our web page. All are encourage to visit our web site to know more about the upcoming events and the previous presentations. Please give us your feedback and let us know what you think.

## **Dinner / Seminar**

For 2006/2007 we have a total of six dinner / seminar meetings. Most of this meetings are well attended by members, non members, students and organization affiliates. Topics on the seminars are well presented by speaker with a broad knowledge and experiences in specific fields.

- November 2006 – Management of Edmonton Ring Road From Owners Point of View  
This topic was presented by Mr. Bill van der Meer of City of Edmonton – Transportation Division. Bill discuss about Alberta Infrastructure and Transportation (AIT) and executing the process for South West Ring Road. He explained the project structure, the objectives of pursuing the P3, and the advantages achieved. The total length of the road is 80 km including 21km of existing roads. The project is unique because of the type of affiliations between the owner, the consultants, and the contractors undertaken to perform decisions, project control, management and delivery.



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- **January 2007 – Edmonton Economic Outlook**  
Paul Tsounis presented this topic. He is the Chief Corporate Economist for the City of Edmonton, and President of the Economics Society of Northern Alberta. In his current role with the City of Edmonton, Paul is responsible for conducting economic forecasts and long term demographic projections for the city of Edmonton and the Edmonton region. Prior to his present position, he served as Senior Economist for Alberta Finance, where he conducted economic and financial forecasts for the Alberta economy, and assisted in the preparation of several provincial budgets and quarterly forecasts. Paul thanks to massive oil sands and other energy related investments in northern Alberta over the past few years, the Edmonton economy has experienced tremendous growth, leading most Canadian cities in terms of job creation and new home construction activity. With over \$140 billion in proposed projects in Alberta over the next 5 to 10 years, it's hard to imagine that the Edmonton economy is going to slow down any time soon.
- **February 2007 – Project Risk Management**  
Presented by Ed Cimic . He is responsible for Project Controls and Estimating Department at Colt Engineering in Edmonton. He began professional career 25 years ago in banking and marketing, and after three years moved into engineering and consulting. He discussed the Alberta economy is depending on the development of Oil and Gas production and for the next 5 to 10 years will experience energy related investments that are estimated to be in billions. These investments are prone to a lot of risk related issues. This presentation focuses on the Cost Risk Analysis and Simulation for various Oil and Gas projects. The figures and the information are based on the actual modeling technique as currently practiced at Colt Engineering
- **March 2007 – Municipal Infrastructure – Define Needs, Develop Solutions, Secure Funding**  
Konrad Siu, Director of the Office of Infrastructure and Funding Strategy for the City of Edmonton presented one of the ongoing challenges facing municipalities. This is to adequately respond to the demands for new and improved infrastructure. The city of today is facing the pressure of aging infrastructure, deferred maintenance expenditures, growth, labour shortages and cost escalation at unprecedented rates. This presentation summarizes the direction taken by the City of Edmonton to develop and implement a strategy aimed at improving the sustainability of its infrastructure needs, to develop solutions and to secure funding.
- **April 2007 – New Quality Standard and Assurance**  
Presented by Professor Karapetrovic who teaches various quality and engineering management courses at the University of Alberta. His presentation highlight several new international standards in the field of quality management that may be of interest to cost engineers. These standards are all aimed at supporting and augmenting a quality management system in an organization, and have either been published within the last several years, or will be available this year. Examples of the standards overviewed in his talk included customer satisfaction standards related to codes and complaints, namely ISO 10001 for codes of conduct, ISO 10002 for complaint handling and ISO 10003 for dispute resolution, as well as the ISO 10014 "Guideline for Realizing Economic and Financial Benefits". Methods of integrating the systems represented by these and other standards in an organization is discussed, as well, particularly in light of the upcoming publication of the ISO "Handbook on the Integrated Use of Management System Standards".



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- May 2007 – Significance of WBS in Contingency Modeling

Presented by John Zhao, who is currently the Project Risk Manager for Suncor. He has authored many papers and made numerous presentations on the subject of risk & contingency management. In the past 10 years John has developed his expertise in cost engineering and risk analysis for large energy and petrochemical projects across Canada. Besides the formal qualitative risk process that he pioneered and matured in Suncor Major Projects group, he also built and developed the Monte Carlo based RISCOR™ (Suncor Risk Modeling) technique for Suncor major projects to quantify capital project cost contingencies and schedule risk profiles. Topic I about implementing risk controls mechanism during project execution phase that paves a solid foundation for setting up project risk management process. Projects is not for an unexpected, albeit project uncertainties that prevail in every project environment. Project surprises often catch management teams off guard as project risks are inevitable and inherent in every project scenario. Project contingencies and associated response plans are often downplayed or ignored. Worse yet, they might be even hidden within base cost estimates or schedule durations. Getting them out to visibility requires the help of WBS structure to drill down the risks following a “Risk Tree” structure. Risk management and control techniques, if adopted and used as an integral part of project management process, will effectively reduce the probability of project failure, and increase the likelihood of project success.

## Annual General Meeting – AGM

We are heading to elect new board members to carry our professional association through the next year 2007/2008. Election for the 2007/08 new boards is just around the corner. Be ready and come forward and volunteer. We are depending on you in continuing the AACE Aurora missions. I would like to remind you that, we are still looking for interested candidates for helping the present AACE Aurora board and to prepare them to carry the torch for next year. Please contact any of the officers or directors in this regard. Also, I encourage all of our members to become more involved in our chapter activities.

We are looking for more ideas from members for other speakers and topics. This is not just for the remaining part of 2007, but for the upcoming season of 2008 as well. If you have any suggestions for speakers and/or topics, please let us know.

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**FROM THE BOARD MEMBERS,**

**THANKS TO ALL OF YOU WHO SUPPORTED US. WE ARE LOOKING FORWARD FOR YOUR PARTICIPATION, YOUR CONTRIBUTION, YOUR SUGGESTIONS AND ALSO SEEING ALL OF YOU IN THE FUTURE MEETINGS.**

**Juan Paglicauan**  
**Newsletter Director**