



# AACE INTERNATIONAL NEWSLETTER

St. Louis Section

January 2007



Issue No. 5

Edited: Ron Reuther, CCE

## St. Louis Section Officers

Year 2006-2007

Andy Paster, President

David Motherwell, CCE, Vice President

Carla Lopez del Puerto CCC, Treasurer

Ron Reuther CCE, Secretary

## WORD FROM THE PRESIDENT

The St. Louis Section's program year is progressing quite well. We have had excellent presentations and the upcoming programs are also of great interest. Please show your support of the sections by attending the upcoming monthly meetings on the second Tuesday of the month.

At our last Board meeting, it was determined that the Section would make a contribution to the scholarship fund for the children of Todd Kramarczyk. Todd worked for Catalyst in Chesterfield, MO as a Senior Account Executive and recently passed away unexpectedly. Todd was a real friend to the St. Louis Section and will be missed.

The Section has established a new program to assist members who may be seeking employment, and to also provide an opportunity to employers who have a position to fill. The Job Posting section of our Section newsletter will enable employers who are looking to fill a project controls related position to reach a targeted audience of project controls professionals and others who have an interest in the industry, and who have a connection to the St. Louis area. This specifically targeted advertisement of an open position costs only \$50 per newsletter placement. All money received through this program will go into the general section fund. If you work for an employer that would benefit from this type of advertising, please make them aware of this opportunity. Additionally, if you are contacted about an opportunity, you can assist your fellow section members by inviting that company to participate in the most productive method to reach the St. Louis project controls community. For details, please contact a Section Board member.

Thanks for everyone's support so far this year. Let's keep up the strong turnout at the meetings.

Andy Paster

### Here are some upcoming meetings

Mark these dates on your calendars.

We have many great programs ahead for the rest of the year.

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March 13, 2007 at MoDOT facility

**Tour of MoDOT Transportation Facility**  
and an update on the Hwy. 40/I-64 Rebuild Project

Dinner following the tour

UPCOMING  
St. Louis  
Section  
Events

Feb 13, 2007

@ 11:45 AM

### Future of Ethanol in the U. S.

Presented by: Abengoa

Lunch included

Location: AGC Training Center

AACE International Legal Disclaimer - AACE International assumes no responsibility for statements and opinions advanced by speakers at events sponsored by AACE International. Views expressed by them do not necessarily represent the official position of AACE International, its sections or committees, or its officers or directors.



## Next Meeting

**Our Next Meeting** will be held at St. Louis Associated General Contractors Training Center on Tuesday, Feb 13, 2007. Meet at 11:45 lunch is served at 12 noon. Christopher Standlee VP Abengoa Bioenergy Corp. is our presenter. Plan to attend.

Please e-mail your RSVP to David Motherwell at [dmotherwell@ameren.com](mailto:dmotherwell@ameren.com) no later than Feb 12th. See address below.

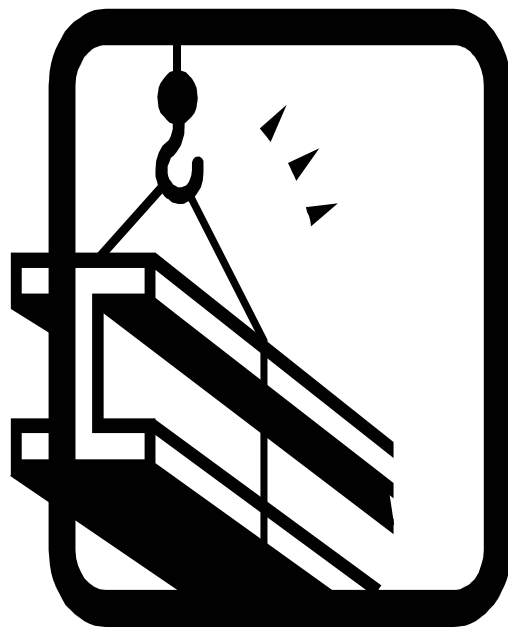
Cost of the meeting: \$10 Members, \$5 Students  
Free Parking in AGC lot

RSVP to this e-mail address:

[Dmotherwell@ameren.com](mailto:Dmotherwell@ameren.com)

### **Directions to meeting**

Directions to the AGC Training Center. The complex is between Manchester and I 44. Take Manchester Road just east of Hampton Ave. to Knox Drive to Knox Industrial Dr. The address is 6330 Knox Industrial Drive 63139





### Last Month's Meeting Highlights

AAACE Ref.#: 21268

**Estimating Design Fees for Transportation Projects**, Carla Lopez del Puerto, ICC; Douglas D. Gransberg, PE CCE; Kenneth F. Robson, *2006 AAACE International Transactions, EST.20, AAACE International, Morgantown, WV, 2006*

Engaging engineering consultants to perform design services has been a growing trend in most government agencies. As a result, it has become increasingly more difficult to accurately estimate the design fees of those consultants. Estimating fees that are fair for both the owner and the designer in the consulting engineering industry is a complex issue. A balance must be found between the compensation the designer receives to design a quality project and the amount that an agency pays for the services rendered. If the fee is too high the agency's resources are not being maximized. If the fee is too low the designer may have to sacrifice the quality or amount of the work it performs in order to remain profitable. Transportation projects are different than architectural projects. Many owners have the perception that the lack of aesthetic detail creates a financial reason to reduce the design fee. A recent study by Carr and Beyor [3] found that engineering design fees over the past three decades have substantially lagged inflation. Thus a situation has been created where engineering design firms must optimize the design effort with an increasingly smaller fee. Thus, getting the design cost estimate correct becomes essential to the final quality of the project.

As will be discussed later in this report, the quality of the ultimate constructed project is a direct function of the quality of its design. Research has shown that design quality is directly related to the size of the fee paid to the design consultant [1]. This study by Bubshait et al drew a strong relationship between the cost of design services and the cost to the owner of change orders after construction contract award to fix design issues that result from either errors or omissions in the final construction documents. This study confirmed for the first time what most experienced designers and constructors intuitively believed: that additional time spent in the design process to achieve a high level of design quality reduces the probability of construction cost growth due to unresolved design issues encountered during construction. Thus, minimizing design costs does not necessarily contribute to minimizing the cumulative cost of design and construction.

The same research also showed that there is a point above which an increase in design fee no longer produces a commensurate increase in design quality. Poor design quality leads to increased construction costs as the project's owner is responsible for the quality of the design product illustrated in the final construction documents upon which the construction bids were predicated. Moreover, the design documents literally define the level of required construction quality and as such, are extremely important to a transportation project's ultimate success. Thus, an owner who ultimately desires a high level of construction quality must ensure that the design fee structure is such that the designer can produce a high quality set of construction documents.

Unfortunately, compensation for design services becomes very abstract in that it deals with

the development of intangible intellectual property that is harder to contractually define than the tangible physical property that is created by a construction contractor. An engineer who has agreed to complete a design for what might be termed as a low fee can quite legally and ethically reduce the amount of time spent on engineering by simply increasing the design factor of safety. This results in the owner potentially paying more for a given feature of work than it would have cost if the engineer's fee allowed additional design hours to be applied in reducing the factor of safety through more time spent on in-depth engineering analysis.

The above discussion describes a technical balancing act that must be accomplished by the public owner when negotiating a design fee. On one hand, there is an incentive to pay the design consultant as much as possible to give them the ability to economically perform the highest quality of design. On the other hand, there is a functional ceiling above which the added design fee adds no value to the final design documents. This paper explores the relevant information and past research on estimating fees for engineering services and compares the methods used by different agencies to determine the design fees for their projects.

Carla Lopez del Puerto, CCC



### **International News**

#### **From the Region 4 Director Robert Bakewell**

I attended the AACE International Winter board meeting in New Orleans on January 12 and 13, 2007. My meeting notes are below for use in your membership newsletters.

President Jim Zack indicated that he will be in Kuwait January 27 -31, 2007 and he will meet with members of the Kuwait section while he is there.



Voting for AACE Board Officers will be done on the internet again this year. Sections are encouraged to set up voting booths at their meetings to allow members without internet access to vote.

AACE Certification board is looking into reciprocity of certifications with other associations i.e. Royal Institute of Chartered Quantity Surveyors.

The Defense Contract Management Agency is interested in developing a relationship with AACE for incorporating the Earned Value Professional certification into their activities.

The Tech Board received over 250 paper abstracts for the next annual meeting in Nashville, TN, only 122 can be selected. This is the highest number of submittals in recent times. The quality of the papers should be very good this year due to the number of submittals.

Sections are encouraged to look for Fellow candidates within their sections and sponsor those individuals for nomination.

The CP3M task force is mapping the certification to international standards and certifications, GAPPS (Global Alliance for Project Performance Standards) and IPMA. They are developing a log book for certification candidates to use to document experience. They are looking for a logo for the certification and are offering a free all expenses paid trip to the Nashville annual meeting. More information is on the AACE website.

Woman in Project Controls task force has been having teleconference meetings; they are using magazine spotlights to highlight members. They are looking for more interested members to join their group.

The project diversity task force current objectives are to identify members within AACE who are interested in promoting diversity. They are posting a survey on the AACE website. They are looking to identify professional engineering schools and universities, and minority businesses who would be interested in working with AACE.

The marketing committee has been having teleconference meetings; Steve Stephano is the chair he is looking for more interested members to be on the committee. This committee will now be supporting Jenni Amos – AACE lead Marketing Staff person, as an advisory board.

The AACE Cyber Section is testing “Meeting Plaza”, voice chat which can be used to conduct board and committee meetings using the internet. This could help those sections with widespread membership.

AACE is hiring new a new staff person to support the Technical, Education and Certification boards.

AACE is revising the Credit Card Sized CD used to promote AACE and distributed to the sections last year. New CD's are being sent out to replace the old ones.

The Certification board is currently working on certification guide books for the PSP, EVP and Estimating Certifications.

AACE currently has 60 corporate sponsors in the corporate sponsor program

The Total Cost Management Framework will be offered for free download on the AACE website to anyone interested in having a copy this includes non-members. There will be a formal announcement in late February.



Don't forget to consider sending representatives to the **March 24, 2007 Region 4 meeting in Indianapolis, Indiana** at the Country Inn and Suites – Airport South. **Bob Bakewell Region 4 Director**

### Annual Meeting

AACEI is planning for their 51th Annual Meeting. It is the Midwest this year and very accessible to us in St. Louis. It will be in *Nashville Tennessee July 15-18<sup>th</sup> 2007*. It is also home to the Grand Old Opry. So mark your calendars and plan your summer vacations around these dates. Check the [AACEI.org/annual](http://AACEI.org/annual) meeting for more details.

### Certification News

7 Persons took the AACE certification exams in the St. Louis Section in December. Thanks for the members who proctored the exam. Those taking the exam were Bradley C. Bell (PSP); Torin P. Hasz (PSP); Matthew R. Hoskins (ICC); Thomas L. Manley (EVP); Robert F. Roog CCE (EVP); Mark A. Takagi II (ICC) and Crystal G. Zaszke (CCC). All of these individuals work for Washington Group International and are assigned to the Olmsted Dam Project. Good luck to all who took the exam.

Many have expressed interest in holding an exam review course in February. The section will support this by providing a location and instructors. We need a volunteer to coordinator this course. The person can be someone wishing to take the exam. Contact Ron Reuther 636-247-2087 if you can help with this course.

### Members in the news

**No news this month**

#### Section Website

The website is temporarily out of service. We hope to have it back in service soon. We will keep you posted in the next newsletter. Please contact one of the section officers if you would be willing to assist in updating the section website.

#### Keep Us Informed!!

As we are ever striving to keep our members informed about what is happening in the organization, we hope this newsletter will help us do that. If you have any announcements regarding seminars, members receiving special recognition or award, members moving or changing jobs, job opportunities or anything else deemed appropriate to share with the St. Louis AACE members, provide this information no later than the 20<sup>th</sup> of each month to [rreuther@gilbaneco.com](mailto:rreuther@gilbaneco.com).

**Changed jobs lately?** Send us your updated contact information so that you can continue to receive the monthly newsletters and announcements about upcoming meetings and events. Contact Ron Reuther at [rreuther@gilbaneco.com](mailto:rreuther@gilbaneco.com)



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## Job offerings

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**Company**  
**Job Title: Scheduler**

**VESTAL CORPORATION**

Vestal Corporation, local engineer-architecture-construction consulting firm, seeks qualified scheduler for their technical staffing division for an immediate opening.

Very good salary and fulltime benefits packaged offered for this position. Assignment will be at Owner office located in downtown Saint Louis.

Minimum 5 years experience in engineering/construction project scheduling. Personal computer *Primavera* experience is required.

Duties include the development and maintenance of engineering and construction schedule for capital planning and capital projects at multiple Owner sites.

Engineering degree and/or cost engineering and field construction experience are a plus.

Estimate travel is 20%.

Individuals interested in this position may contact Richard Vestal at Email [richard\\_vestal@vestalcorporation.com](mailto:richard_vestal@vestalcorporation.com), Fax 314-439-9906 or Tel 314-439-9900. Please include current resume and salary history.



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**Company**

**Monsanto**

**Job Title: Project Controls Engineer**

- ' Develop detailed project cost estimates (includes evaluation, conceptual, and appropriation grade estimates, often from limited information under tight time restraints).
- ' Work with project teams to control/manage project costs.
- ' Develop capital and expense cost forecasts/expenditure curves.
- ' Prepare & present project cost reports.
- ' Interface with engineering and construction contractors to validate cost estimates.
- ' Continuous oversight of project costs so as to provide early indication of potential deviations as well as to recommend corrective actions to project teams.
- ' Must be able to work with all team members to facilitate the gathering of diverse inputs related to project cost management and project execution planning.
- ' Work with project teams to develop conceptual and detailed project execution schedules.
- ' Analyzing project events so as to accurately depict project status and schedule trends throughout the entire project cycle.
- ' Monitor and reconcile project cost reports.
- ' Work to improve estimating and scheduling practices & tools within the Project Controls Group.
- ' Construction contract cost management ' Enter contracts and contract change orders into SAP, service entries for receiving to allow invoice payment

Experience - External:

- ' B.S. Degree
- ' 5+ years experience in project controls
- ' Strong proficiency in Microsoft Office (EXCEL, WORD), project scheduling software (Microsoft Project, Timeline, Primavera).
- ' Proficient in use of SAP.
- ' Working knowledge of the building/ facilities construction process & contract delivery methods.
- ' Strong written & verbal communications skills.
- ' Personal initiative ---- ability to function on a 'fast-track' handling several project assignments simultaneously.
- ' Ability to work well in a team environment that values diversity.

Other Information:

Position is located at the Creve Coeur campus. Nominal hours are 8:00am' 4:30pm Monday through Friday, with some flex time permitted. Role requires the ability to ascend and descend stairs on a periodic basis, and to be able to access all areas of a production site for project evaluation and troubleshooting. Travel (15%) is required, primarily in the United States but may also involve ex-US.

To view this opportunity go to: [www.monsanto.com](http://www.monsanto.com) \* click on job opportunities \* click on Engineering \* click on job number mons-00006117

Contact **Monique Matthew** [monique.m.matthews@monsanto.com](mailto:monique.m.matthews@monsanto.com) 314-694-5280 (office) 314-640-2976 (cell)