

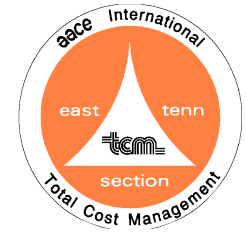
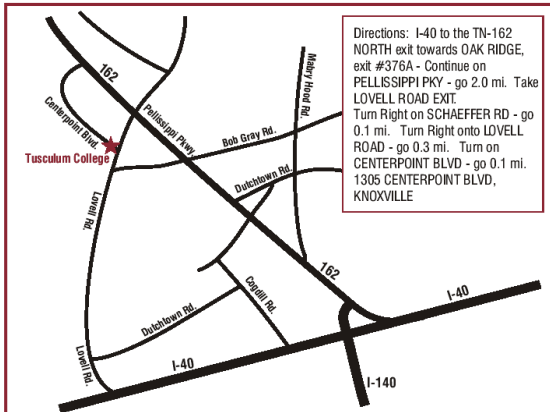
Course Outline

Classes held 8am - 5 pm with 1 hour for lunch.

- Day One
 - Introduction
 - Project Scope Definition
 - Purpose of Estimates
 - Capital Cost Estimates
 - Startup Costs
 - Recommended Practices
 - Process Contingency
 - Operating and Manufacturing Costs
 - Planning for Operations at Less Than Full Capacity
- Day Two
 - Project Financial Analysis
 - Planning for International Projects
 - Contingency and Risk Analysis in Capital Investment
 - Identifying Ethical Dilemmas

Please bring a calculator with you to the class, these will be working sessions.

Attendees will receive 16 PDHs.
Seminar will be held at Tusculum College



East Tennessee Section
of
AACCE International

Winter Cost and Schedule Seminar

with Ken Humphreys
Managing Project Costs,
Financial Risk, and Project
Contingency

March 8-9, 2010

Tusculum College



All proceeds go to ETS-AACE Scholarship Fund

Registration Form

To register, mail form to P. O. Box 51133, Knoxville TN 37950-1133, register online at www.aace-ets.org, or contact Bob McCoy at 865-574-9715.

Sign up for:

Cost and Schedule Seminar **Price** \$299.00

Name _____
Address _____
Phone _____
E-mail _____

Method of Payment

Check MasterCard
 Bill Me American Express
 Visa

Credit Card No. _____ Expire Date _____

Signature _____



East Tennessee Section of
AACCE International
P. O. Box 51133
Knoxville, TN 37950-1133
www.aace-ets.org

Address Correction Required



Managing Project Costs, Financial Risk, and Project Contingency

Proper project decision-making requires that cost estimates be carefully made and that risk management and risk analysis techniques be applied in order to guide management in making the best decision. The cost engineer and project manager must have a basic understanding of these factors in order to be able to successfully manage the project.

Cost estimates attempt to define projects as single point values whereas virtually all project variables may deviate from the values assumed in preparing the original estimate. These problems are further exacerbated by inadequate project definition, inherent estimate inaccuracy, incomplete design and engineering information and complicating factors such as political considerations, culture, weather extremes, religious customs, remote locations, unskilled workforces, import and export considerations, and the like. The cost engineer and project manager must understand these factors and be able to recognize their effects and take corrective action as may be necessary.

The objective of this intensive seminar is to provide an overview of the various cost factors which must be considered when developing project plans, the added considerations when design information is not complete, why risk analysis is necessary, assessment of the probability of having project cost overruns, and determining how much contingency is required add to reduce residual risk to an acceptable level.

Risk Analysis tells you the probability of having a cost overrun, how large it can be, what to do to reduce the risk, how much contingency to add to reduce risk to an acceptable level, and how to allocate that contingency to the critical elements in the project.

This intensive seminar will provide an overview and understanding of the theory and application of process cost estimating techniques and of risk analysis problems involving multiple numeric uncertainties (e.g., budget to detailed cost estimating, contingency analysis, competitive bidding, and annual profit planning).

The seminar will address early-on project cost estimates (order-of-magnitude, preliminary, and budget) in the process industries and assessment of the risk of project cost overrun and the contingency required to keep the probability of cost overrun within acceptable limits of probability.



Dr. Kenneth K. Humphreys, PE CCE



Dr. Kenneth K. Humphreys, PE CCE, served as Executive Director of AACE International (the Association for the Advancement of Cost Engineering) from 1971 until 1992. He is a noted authority worldwide on the subject of cost engineering and is the author of several major books in the field. He has authored over 350 technical papers, articles, patents and books.

His professional career also includes over 25 years of industrial and academic experience in the steel and coal industries as a research engineer with the United States Steel Corporation, as an Associate Director of the Coal Research Bureau of the State of West Virginia, and as an Assistant Dean of the College of Mineral and Energy Resources, West Virginia University.

He was secretary-treasurer of the International Cost Engineering Council for 30 years and is past president of the Council of Engineering Specialty Boards and past president of the West Virginia Society of Professional Engineers. He has held numerous leadership positions in the West Virginia, North Carolina and National Societies of Professional Engineers, AACE International, the International Cost Engineering Council, and other professional organizations. He is also past chairman of the Ethics Committee of the Professional Engineers of North Carolina.

Dr. Humphreys has been recognized as a Certified Cost Engineer by AACE International, the Mexican Society of Cost and Economic Engineers, and the International Cost Engineering Council and was a 1993 nominee for the U.S. National Medal of Technology. He has received the "Award of Merit", the "O. T. Zimmerman Founder's Award", and the "Brian Dunfield Education Award" from the AACE. He has been honored as a Fellow of AACE, the Association of Cost Engineers (United Kingdom), the Professional Engineers of North Carolina, the National Society of Professional Engineers, and the Associazione Italiana di Ingegneria Economica (Italian Association of Cost Engineers). He has also been named as an Honorary Life Member of the Southern African Project Controls Institute. He was named by the West Virginia Society of Professional Engineers as "Engineer of the Year" in 1986 and in 1999 he was named as "Engineer of the Year" by the Professional Engineers of North Carolina.

In 2002 he was named as the first "Distinguished International Fellow" by the International Cost Engineering Council during the 3rd World Congress on Cost Engineering, Project Management and Quantity Surveying in Melbourne, Australia. He is a registered Professional Engineer.

He is extensively involved in church and community affairs and recently completed training to become a Commissioned Lay Pastor in the Presbyterian Church USA. He has been serving as interim co-pastor of a church in North Carolina and is looking forward to a future call as a Pastor at another church.

Humphreys holds a B.S. degree in Chemical Engineering from Carnegie Institute of Technology, an M.S. degree in Materials Science Engineering from West Virginia University, and a Ph.D. in Engineering from Kennedy-Western University. He has taken additional post-graduate work in engineering at Illinois Institute of Technology, Carnegie Institute of Technology and the University of Pittsburgh.



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