



UAE
Project
Management
Conference & Exhibition

1st UAE Project Management Conference 2015

25 – 27 May 2015

Intercontinental Hotel, Festival City Dubai UAE

“Mastering Project Management in Mega Projects”

Organised by



جمعية المهندسين - الإمارات العربية المتحدة
SOCIETY of ENGINEERS - UAE



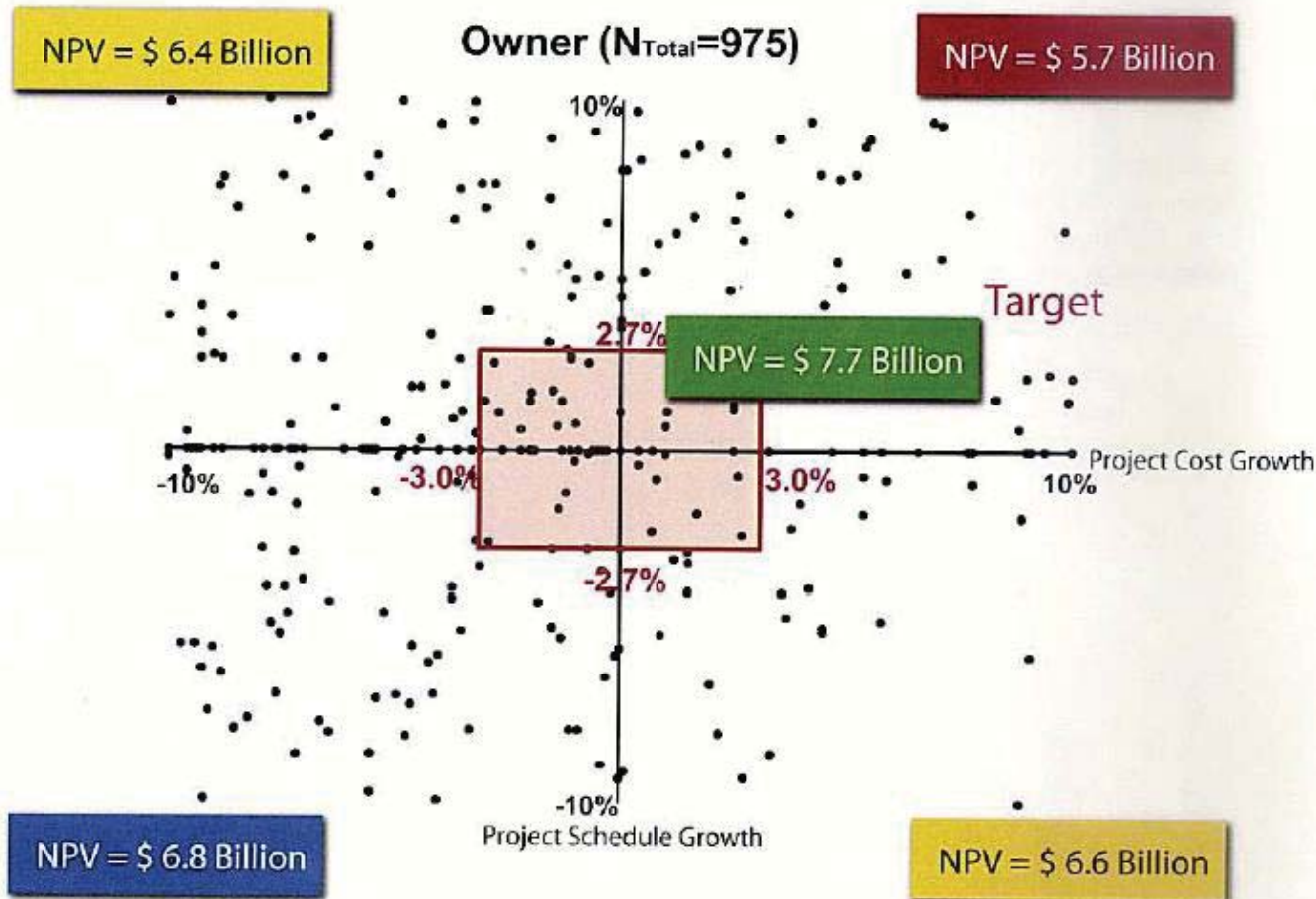
“Meeting the Challenge of Improving Cost and Schedule Predictability on Mega Projects: The Role of the Cost Engineer”

Martin Darley FRICS CCP – President AACE International

- Biography
- Cost & Schedule predictability
- Features of Mega Projects
- Front End Loading
- Role of the Owner
- Total Cost Management Framework
- Role of the Cost Engineer
- AACE International
- Addressing the issues

Biography

- 35 years experience
 - 25 Years in Operational roles with Project Control Consultancies
 - 10 years with IOC
- Chartered Quantity Surveyor
- Chartered Project Manager
- Certified Cost Professional
- Cost Engineer and Project Services Manager – Upstream mega project
- President AACE International



⁽¹⁾ Reproduced with kind permission of Wayne Crew, Director CII (Construction Industry Institute),
 "Performance assessment today: By the numbers" published 2012

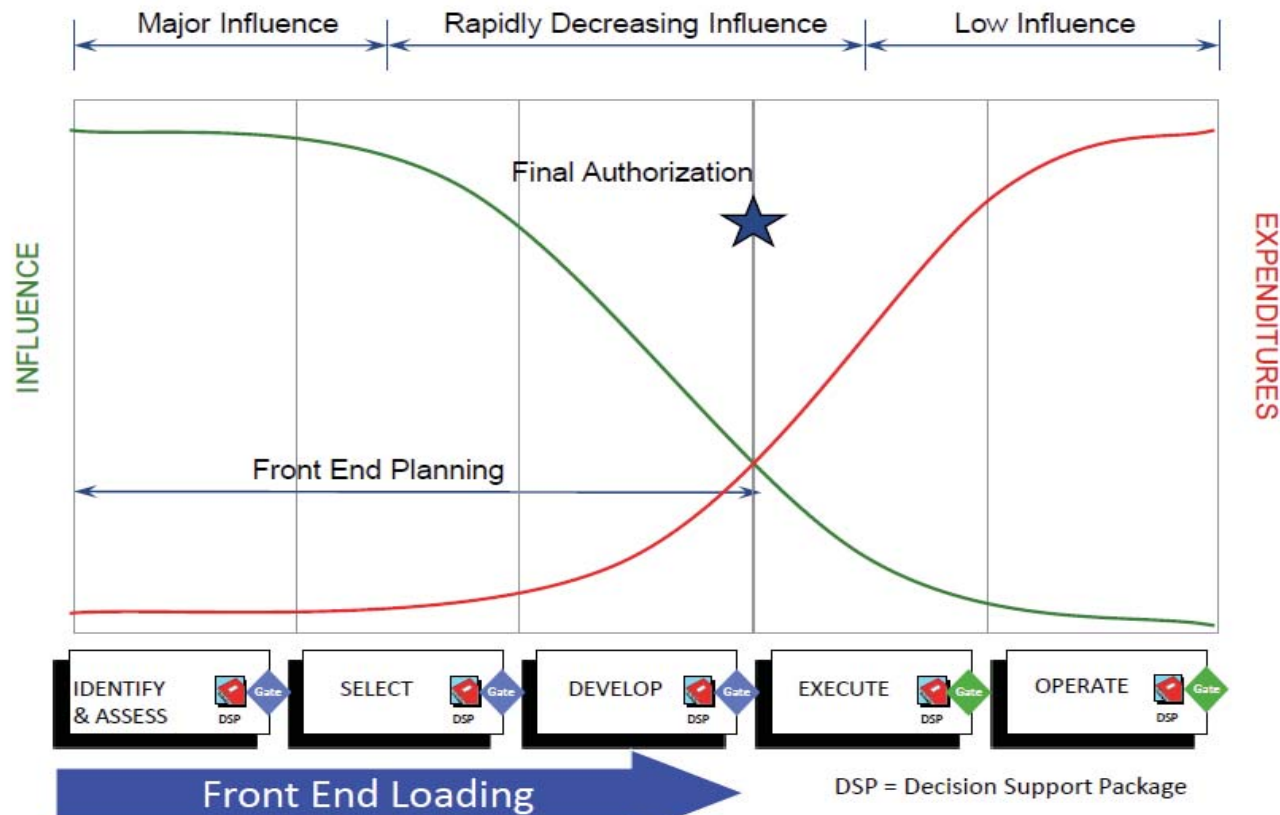
Features of Mega Projects

- Creators and destroyer of Capital? ⁽¹⁾
 - I want to keep it all
 - I want it now
 - We'll work the details of the deal later
 - Why do I need to spend so much up front
 - We need 20% off the numbers
 - Contractors should carry the risk – they are doing the project
 - Sack the project manager that fails

(1) "Industrial mega Projects: concepts, strategies, and practices for success – Ed Merrow"

FEL planning

Influence vs. Expenditures



Role of the Owner

1	2	3	4	5
PHASE 1 IDENTIFY & Assess Opportunities	PHASE 2 SELECT from Alternatives	PHASE 3 DEVELOP Preferred Alternative	PHASE 4 EXECUTE (Detail EPC)	PHASE 5 OPERATE & Evaluate
Basin Model	Generate Alternatives	Fully Define Scope	Implement Execution Plan	Operate Asset
Prospect Mapping	Preliminary Development of Alternatives	Develop Detailed Execution Plans	Min. Changes	Monitor & Evaluate performance
Reservoir Description	Develop Expected Value	Refine Estimate	Finalize Operating Plan	Identify New Opportunities
Drilling Program	Identify Preferred Alternative	Submit Funding for Approval ~25 % Eng.	Business Plan for Phase 5	
Facilities Plan	Phase 2 Est.	Phase 3 Est. (+/- 10 % Accuracy)	Project Review	
Strategic Fit				
Phase 1 Est.				



TCM Framework

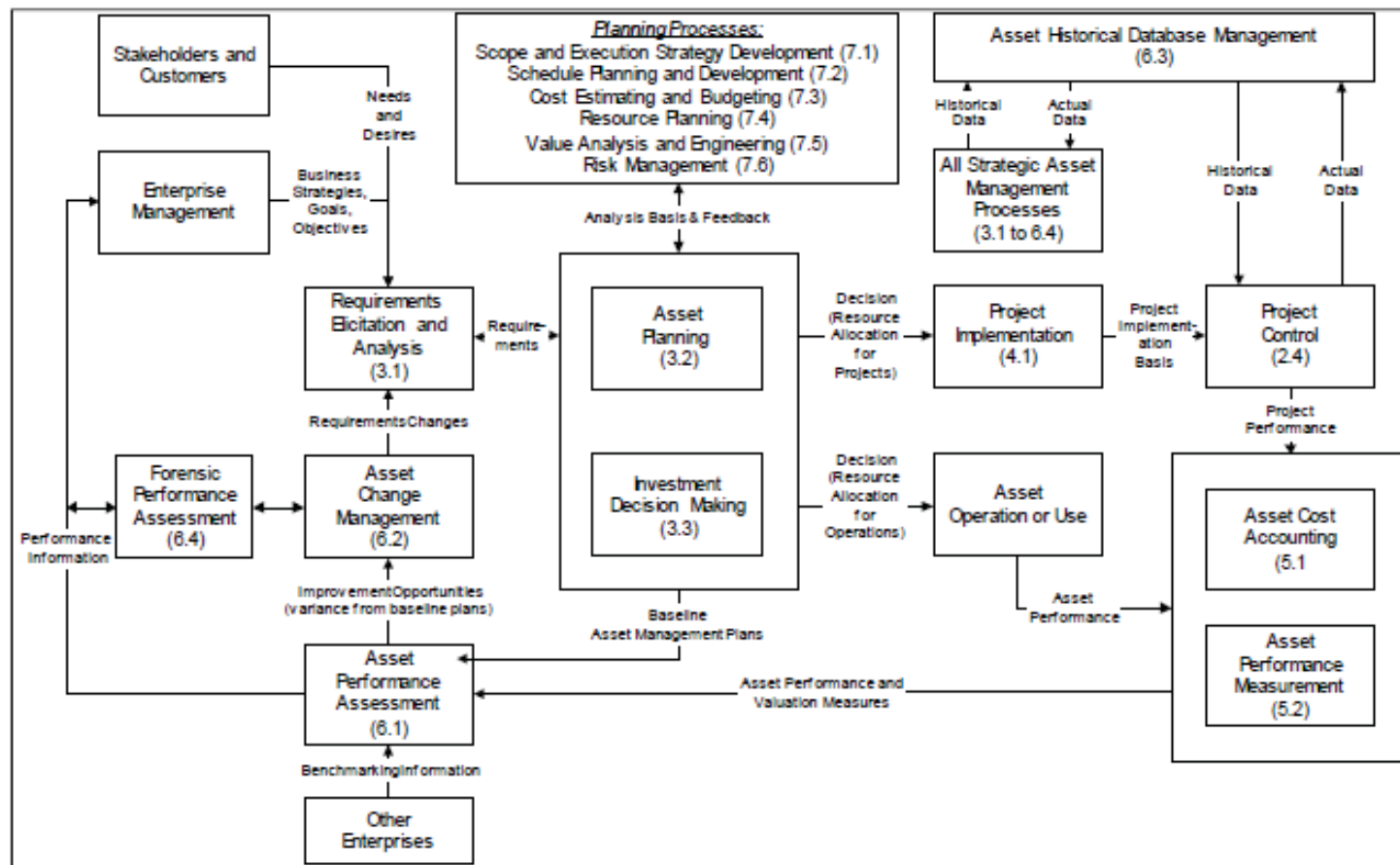


Figure 2.3-1. The Strategic Asset Management Process Map

Courtesy of AACE International ©. "Total Cost management Framework, 1st Edition"

TCM Framework

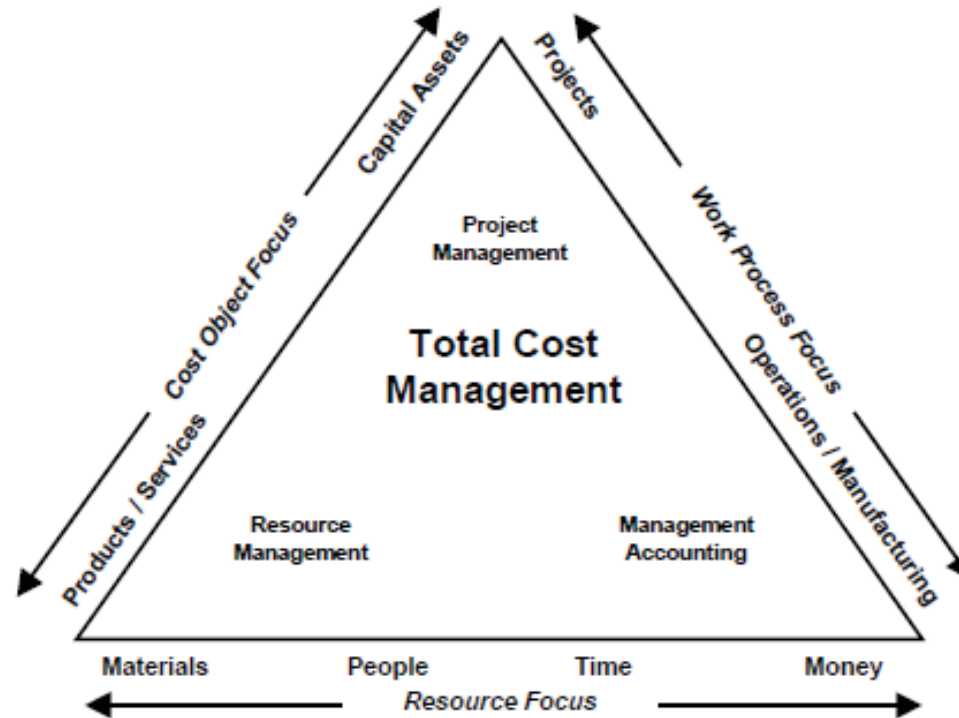
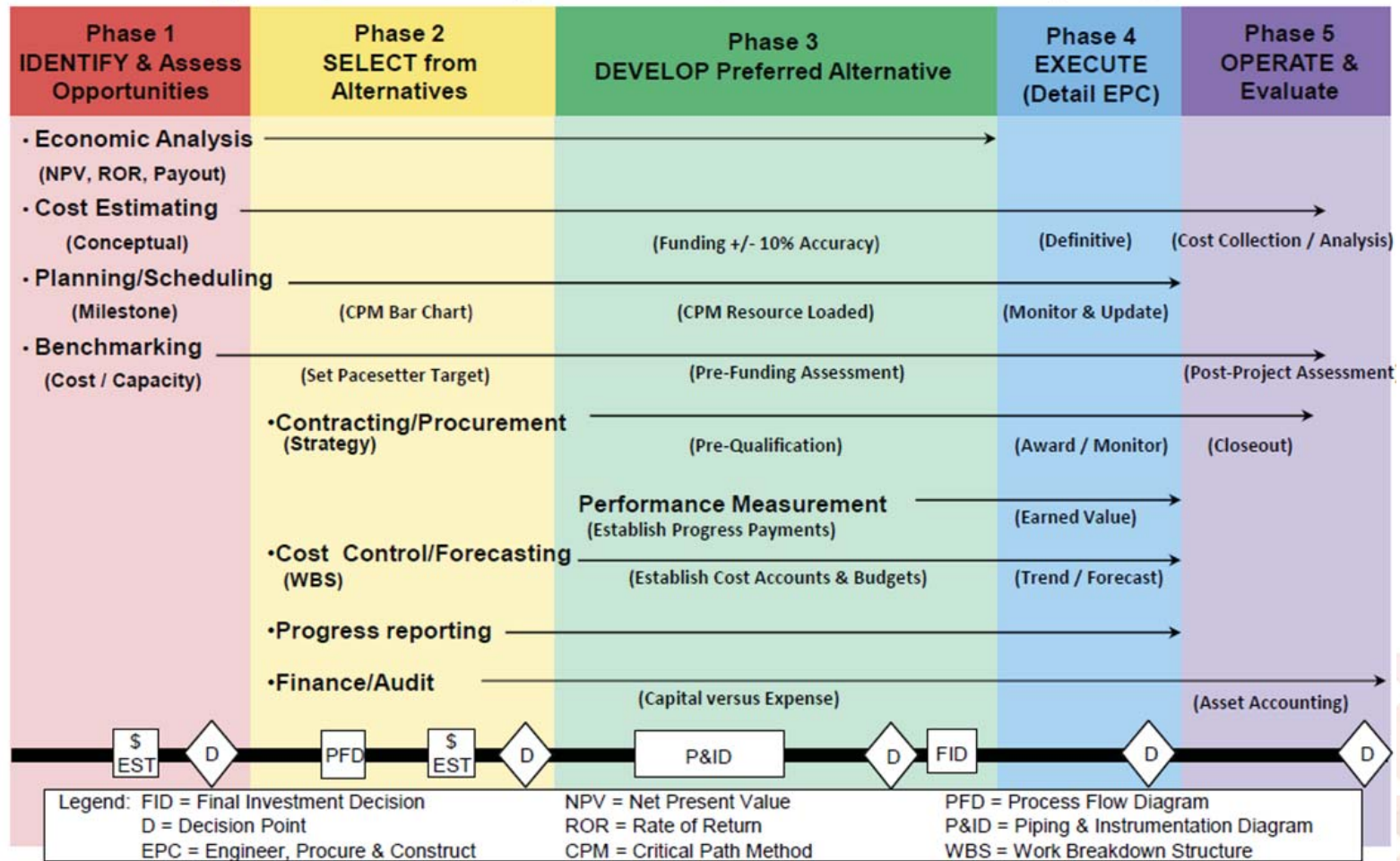


Figure 1.1-1 TCM's Place in the Cost Management Spectrum

Courtesy of AACE International ©. *"Total Cost management Framework, 1st Edition"*

(Plan, Schedule, Estimate, Monitor and Report)





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Top 10 Reasons to Earn AACE Certification
AACE Certification...

Why Join AACE?

Watch this entertaining and informative [recruitment video](#) explaining the many benefits of being an AACE International member.

- Technical Authority
- Educational product
- Certification standards
- www.aacei.org

What is
Cost
Engineering?



AACE delivering value

Leading Technical Authority	1-A, 1-B, 1-E, 1-G Offer certification programs to instill public confidence and meet or exceed standards of CESB; promote value of credentials worldwide and deliver through CBT	1-C, 1-H Promote TCM to industry, government and the academic community; strategically enter into partnerships to facilitate distribution of resources	1-D, 1-J, 1-K Provide timely, convenient and cost-effective PD opportunities including certification review courses, study guides, primers and other texts	1-F, 1-I Communicate with members via appropriate media; Ensure alignment of the TEC boards; align strategic and operational plans of TEC boards with AACE strategy
Member Experience	2-A, 2F Develop effective and proactive sections and regions; support task forces and committees to assure diversity in the community	2-B Create and maintain a member-centric website	2-C Provide world-class meetings	2-D, 2-E Continue to recognize excellence through awards; provide scholarships and increase student and academic involvement
Strategic Partnerships	3-A Enter into partnership agreements that advance our mission	3-B Develop an ongoing government relations program	3-C Develop a marketing and communications strategy; "Brand" AACE to increase membership and product sales	3-D Facilitate industry transformation by leading change within emerging technologies
Build Organizational Capacity	4-A, 4-E, 4-F Assess regularly organizational structure, board, ABs, sections and staff; perform viability review of major programs; create a leadership development program for all levels of organization	4-B, 4-G, 4-H Recruit, retain and develop effective HQ staff, create an annual HQ technology and capital acquisition plan; develop annual membership recruitment/retention strategy	4-C, 4-I, 4-J Develop a financially significant sponsorship program; require a business plan to support new projects; ensure necessary infrastructure and resources for international growth	4-D, 4-K, 4-L Retain a minimum reserve of 50% of annual operating expenses; administer effective Canons of Ethics program; Develop metrics based on strategic plan

Addressing the issues ⁽¹⁾

- Stakeholder management plan
- Use integrated Project Management Systems and Controls
- Develop a Work Breakdown Structure
- Prepare a baseline schedule
- Develop the estimate and set baseline budget
- Manage scope change
- Manage project risk
- Report Earned Value
- And **Work to the plan**

⁽¹⁾ KPMG Thought leadership series ... *“How to successfully manage your mega-project, part II, Stakeholder communication and project controls integration”*