

NATIONAL Estimator

The Society of Cost Estimating and Analysis

Fall 2012



Join us in Bethesda, MD for the 2012 IPM Conference. Details inside!

www.sceaonline.org



**TECOLOTE
RESEARCH, INC.**
*Bridging Engineering and Economics
Since 1973*

Excellent Career Opportunities



Cost & Economic Analysis

Acquisition & Sustainment Support

Software Design & Development

Business & IT System Consulting

Schedule Management & Analysis

Risk & Decision Analysis

Earned Value Management

Financial Management

Team-Oriented Environment
Competitive Compensation Packages
Employee-Owned
Exceptional Company-Paid Benefits



The Society of Cost Estimating and Analysis

SCEA/ISPA Joint Office
8221 Old Courthouse Road, Suite 106,
Vienna, VA 22182
703.938.5090 • FAX: 703.938.5091
Email: scea@sceaonline.net
www.sceaonline.org

National Officers

President

Paul Marston

Vice President

Joseph Wagner

Secretary

Carol Hibbard

Treasurer

Debra Lehman

Past President

Bill Haseltine

Directors

Peter Braxton

Rick Collins

Jeffrey Campbell

Thomas DuPré

Blaine Webber

James Manzo

Regional Vice Presidents

Joe Dean—Region 1

Richard Coleman—Region 2

Christian Smart—Region 3

Jeremy Mitchell—Region 4

Rex Potter—Region 5

Steven Hansen—Region 6

Yasushi Horikawa—JSCEA

Director of Certification

Peter Andrejev

Committee Chairs

Inter-Organization Outreach—
Daniel Nussbaum

Training—Kevin Cincotta

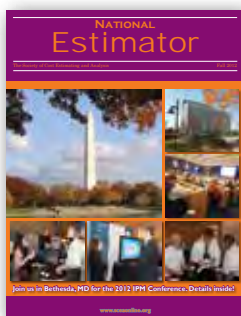
Chaptering & Membership—
Mike Thompson

Jointness—Neil Albert

The *National Estimator* is a publication of the Society of Cost Estimating & Analysis. Members of the Society receive copies as a benefit of membership. Subscriptions for non-members are on a yearly basis at a cost of \$30.00 per year.

Publication of materials is at the discretion of the Editor and Officers of the Society. Opinions expressed by contributors are not necessarily those of the Society of Cost Estimating & Analysis. The Society endorses no product or service, does not engage in any form of lobbying, and does not offer for sale any commercial product or service for a profit. All revenue received from the activities of the Society are used solely for the professional benefit of its members.

ISSN 10404-20



NATIONAL Estimator

The Society of Cost Estimating and Analysis

A non-profit organization dedicated to improving cost estimating and analysis in government and industry and enhancing the professional competence and achievement of its members.

Table of Contents

President's Letter	4
<i>By Paul Marston, SCEA President</i>	
Letter from the Editor	5
<i>By Joe Wagner, National Estimator Editor</i>	
SCEA & ISPA Joint Office Operations	6
<i>By Erin Whittaker, SCEA Executive Director</i>	
SCEA Certification Director's Corner	8
<i>By Peter Andrejev, Director of Certification, CCEA®, PMP</i>	
Certification Congratulations	10
Chaptering & Membership	11
<i>By Mike Thompson, Chaptering and Membership Chair</i>	
What Do You Know?	12
<i>By Peter Braxton, Director, Body of Knowledge</i>	
Training Corner: What's Causin' All This?	14
<i>By Kevin Cincotta, Training Chair</i>	
Book Review	16
<i>Money Changes Hands ... A Good Book Changes Minds, by Lt. Col. David Peeler</i>	
The Origins of ICEAA	17
SOX and FMFIA: Leveraging Information for Compliance	20
<i>By David L. Peeler, Jr.</i>	
2012 SCEA/ISPA Conference Recap	23
Annual Awards	25
Best Paper Awards	27
Chapter Updates	33

Advertise in the NATIONAL Estimator and Hit Your Mark!

Whether you're advertising job openings, cost services, or software products, hit your target audience by advertising in *The National Estimator*. Demographics include cost estimators and analysts at all levels of management and at all levels of expertise from the government, private sector, and academia. (All print ads are full color! Call 703.938.5090 for more information.)

Covers Ads

Inside Front Cover	Full Page	8.5 x 11 (with 1/8 inch for bleeds)	\$600
Inside Back Cover	Full Page	8.5 x 11 (with 1/8 inch for bleeds)	\$600
Outside Back Cover	Half Page	5.5 x 8.5	\$600

Interior Ads

Interior Page Ad	Full Page	8.5 x 11 (with 1/8 inch for bleeds)	\$500
Interior Page Ad	Half Page	4.25 x 11 or 5.5 x 8.5	\$400
Interior Page Ad	Quarter Page	2.15 x 11 or 4.25 x 5.5	\$300



President's Letter

By Paul Marston, SCEA President

On September 10, with the conclusion of our general membership votes, it became official: SCEA and ISPA are merging. This marks the end of a long, and at times difficult, process. It involved so many dedicated people that it's impossible to list them all in this space. I know this is inadequate, but I would like to publicly and personally thank all the members of the Joint Integration Committee, the Solution Teams, and all those who provided help and advice over the past year as we navigated this process. Your countless hours are appreciated and the results important. I want to especially thank **Bill Haseltine** and **Jason Dechoretz**, whose decision over a year ago to take the final steps toward fully uniting is the reason that I'm finally able to announce the formation of the International Cost Estimating and Analysis Association (ICEAA).

Now, of course, there is more to be done. If we are to continue building on the missions, cultures, and legacies of the two Societies and create something new and stronger, we need to come together. I'd like to be the first to welcome our ISPA colleagues into the new Association, and I know they will do the same for us. Because I've spent so much time talking and working with **Andy Prince**, ISPA's Chair, over the last year and a half, I know he and I are ready to work shoulder-to-shoulder as Co-Presidents of ICEAA. I also know that our membership will do the same.

So, let me give you some specifics on what to expect over the next 9 months. Beginning in October, the Pro Tem Board of Directors will assume control of ICEAA. This Board is charged with three main objectives: 1. Prepare and hold the first election of Officers and Directors of the Association; 2. Continue the day-to-day management of the Association; and 3. Bring to fruition any initiatives of the previous organizations that are important to the Association. The powers of the Pro Tem Board are purposely limited and represent an orderly transition to the first elected board. I invite all our members to consider running for a position on the first board. We need your talents and energy.

As exciting as this merger is, it also marks the end of SCEA in its current form and a transition to a bigger, more inclusive society. To everyone who donated so

much of their time and energy to SCEA, I thank you. And, I assure you that what you have built will continue under our new name. In particular, I'd like to thank our out-going Board of Directors, some of whom will not be voting members of the governing body for the first time in many years. I'd especially like to thank Peter Andrejev, whose efforts have reshaped our Certification Program; Peter Braxton, who's been the guardian of CEBok®; Dick Coleman, who's been our conscience and the voice of our members; Joe Dean, our "go-to guy" when anything needed to be done; and, Dan Nussbaum, who's been our senior statesman and a personal mentor. My hope is that you will continue your Board involvement in the future.

While the merger grabbed headlines all year, there are many other recent initiatives that are important to our future. To name just a few:

Chapters and International Regions

We've continued to explore ways to help our Chapters. This has included facilitating webinars, arranging luncheon speakers, and holding regular Chapter President discussions.

Our international growth continues in Japan, Australia, and Europe. Japan SCEA translated the entire CEBok® into Japanese and certified its first group of members. The Australia Chapter is about to participate in the 2nd Ministry of Defence Cost Conference in Melbourne. And with ISPA in the lead, we held a very successful joint conference in Brussels.

Investments in our Future

On the heels of our recent Member Survey, the Board kicked off its first ever effort to create a long-term Strategic Plan.

In recognition that CEBok® continues to be one of our crown jewels, SCEA issued a Request for Information to industry in preparation of a major modernization to the CEBok platform.

The Society of Cost Estimating and Analysis will continue to thrive as ICEAA, but we need your help. I urge you to embrace this new beginning as an opportunity to get involved, lend a hand, or simply participate a little more. We're a pillar of the Cost Community because of our membership. As the International Cost Estimating and Analysis Association, we just became stronger and more vibrant.

Letter from the Editor

By Joe Wagner, National Estimator Editor



As we prepared the content for the Fall 2012 issue of *The National Estimator*, the birth of a new professional organization grew ever closer. The formation of the International Cost Estimating & Analysis Association (ICEAA) has been approved by the membership of ISPA and SCEA, and we are about to enter into a new chapter, with new ideas and opportunities for a new organization. Here are some of the things we are sharing with you this issue:

As we move from the past to the future in our professional associations, I thought it would be interesting to look into the past and see where we came from organizationally. Where did the concept of a systems cost estimating and analysis professional association begin? The IESSD is the answer – and their story is in this issue.

Air Force **Lt. Colonel David Peeler** is one of our stalwart contributing authors, whether it is a book review or feature article dealing with costing philosophy or practice. He has once again produced both an article and a book review for the Fall 2012 *National Estimator*. If you wonder what SOX is, read David's article, and don't forget his book review.

Certification as a cost professional is at or near the top of most analysts' concerns when they look at their ca-

reer and what they should be doing to advance it. In this issue, **Peter Andrevjev**, SCEA Certification Director, presents a complete overview of the process and its component parts, and explains how achieving certification fits into every well-planned professional career path.

Our 2012 SCEA/ISPA Conference in Orlando, FL, was a huge success, and in this issue, **Erin Whittaker** and **Bill Haseltine** (Conference Chair) provide a nice recap of the highlights. **Debra Lehman**, SCEA Treasurer and the Chair of the 2012 SCEA Awards program, describes the awards presented at the conference. Among the very deserving winners was a Lifetime Achievement Award given to Bill Haseltine, our current Past President.

Lastly, I find myself sending bi-annual harassing emails to all of our chapters asking for their inputs to this magazine, sharing with all of us their activities and accomplishments. To take some of the pain out of this ritual, I would ask each chapter officer to look ahead starting right now, and begin capturing (in words and with photos) your meetings, speakers, social activities, and community service events to share with all of us. That way, when the next publication season rolls around, you can be the first to send in a comprehensive report on what your chapter and its membership have accomplished recently.



COST ESTIMATING BODY OF KNOWLEDGE



The best training and reference system for cost estimators and analysts!

- The most comprehensive training curriculum and practitioner reference system available to the cost professional. Now available in Version 1.1, with even more content!
- Modules covering:
 - Cost Estimating
 - Analytical Methods
 - Management Applications
 - Cost Analysis Techniques
 - Specialized Costing
 - and much more!

Pricing and ordering information

Individual Licenses:

- SCEA Member \$230
- Non-Member \$330
- Multiple copy pricing and corporate licenses available upon request.

Order form available at <http://www.sceaonline.org/cert/CEBoKorderform.pdf>

For more information, contact Erin Whittaker at 703-938-5090, or erin@sceaonline.org.



SCEA & ISPA Joint Office Operations

By Erin Whittaker, SCEA Executive Director

What

submitted the proposed ISPA SCEA merger to the membership for a vote, implemented new website features and chapter resources, and hired a new staff member! But, our work isn't done yet, as we continue to look for ways to increase our membership outreach, collaborate with other organizations, provide new and unique training opportunities for our members, and grow SCEA.

Conferences

The 2012 SCEA/ISPA Conference was, by all accounts, a resounding success! We had over 520 attendees, almost 100 professional papers, 42 training sessions, expanded Tuesday Informational Sessions, and numerous fun-filled networking opportunities for new and returning attendees alike! Keynote speeches by **Commander Kirk Lippold** (former commander of the *USS Cole*) and **Ron Youngs** (Director, Cost and Pricing Center, Defense Contract Management Agency), set the tone for the event and prepared attendees for the fully-packed schedule of training and professional development.

I'd like to thank the many people who helped put the conference together: **Bill Haseltine**, Conference Chair, **Mike Thompson** and **Mel Etheridge**, Program Chairs, **Brian Welsh** and **Kevin Cincotta**, Training Chairs, **Deb Lehman**, SCEA Awards Chair, and **Andrew Drennon**, Best Paper Awards Chair. I'd also like to thank the many track chairs and committee volunteers who offered their time. The Joint Office would also like to extend a sincere thanks to the local MCR volunteers from the Central Florida Chapter, **Ariz Sirkhan**, **Steven Xu**, **Lisa Hackbarth**, **Samantha Cheng**, **Don Trapp**, **Noah Wright** and **Karen Rivaud**, who assisted with set-up and registration. It is with the collaboration of all these hard-working individuals that we are able to put on a successful conference for our attendees. Read on for more information about the conference, including information

a summer it's been!
We held our successful
SCEA/ISPA Conference
in Orlando, FL,

about the Best Paper and Annual Award winners. And be sure to visit the SCEA website to check out the conference photos: <https://www.sceaonline.org/events/conference/2012/2012Conference.cfm>.

Looking for more ways to learn? The 2012 Integrated Program Management (IPM) Conference will be held at the Bethesda North Marriott Hotel & Conference Center from 29 – 31 October. This conference is jointly sponsored by SCEA, National Defense Industrial Association, and the College of Performance Management, and it's the leading conference on Earned Value Management (EVM). We're looking forward to an event filled with numerous training sessions, workshops, practice symposia, and a SCEA track featuring presentations on risk analysis, cost estimating, and EVM (chaired by **Andrew Drennon**). Attendees will be able to earn CEU credits for attending select sessions at the conference (useful toward SCEA recertification), and a PCEA® and CCEA® exam will be held the Saturday before the conference (October 27). We'll see you there! For more information about the conference, visit the IPM website at www.ipmconference.org.

The 2013 ISPA/SCEA Conference will now be the first ICEAA Conference and will be held 18-21 June 2013 at the Sheraton on Canal Street in New Orleans, LA. We're anticipating lots of opportunities for learning and networking, with 43 training sessions, certification study groups, Exhibitor Sessions, and professional presentations on best practices and lessons learned. Don't miss out on your chance to enhance your skills and network with customers and colleagues. Take a look at the Call for Papers in this issue and consider submitting an abstract for consideration to <https://www.sceaonline.org/events/callforpapers/upload.cfm>. The deadline for submissions is 11 January 2013. We look forward to seeing you in this historic, picturesque city!

Publications

The 1st issue of the 2012 volume of the *Journal of Cost Analysis and Parametrics* was sent out in July and featured intriguing papers from many noteworthy submitters. We're currently gathering content for

our future issues, so be sure to submit your paper for consideration soon so we can publish your article! We're looking to transition to an online manuscript submission process in 2013, but for now, we welcome 2012 Conference presenters, or anyone with a paper they'd like to publish, to submit their white papers for consideration to **Tony White**, SCEA JCAP co-editor, at stat.associates@gmail.com.

SCEA's Cost Estimating Body of Knowledge (CEBoK®) is a comprehensive, self-guided training and reference material that has been used by hundreds of estimators and analysts. As SCEA looks to address member requests for additional training opportunities, we are exploring new ways to deliver CEBoK® content to you. We've issued a Request for Information for the next generation product (currently referred to as "CEBoK II") and we look forward to reviewing the responses after the 1 October deadline.

Merger

The resolution to merge with ISPA was approved by the ISPA and SCEA Boards in late June, and then was submitted to both memberships for a vote. At the time of this writing, the voting periods for both societies have just closed, and we are pleased to announce that the merger was overwhelmingly approved by the membership. For those who have been involved in this process thus far, it has been a long yet rewarding process, and I look forward to bringing the merger to fruition following its legal approval.

The next step is for SCEA and ISPA to submit all the necessary legal paperwork to the Virginia SCC for approval. The approval process should take a few weeks, but if all goes according to plan, we will be fully merged by early November. Once we've merged, we will begin the process of making all the necessary changes to the website and publications. We are currently in the process of designing a new logo, with member input. So, we can expect a short transition period while both society websites will remain largely the same, but will offer new features to the membership. The Pro Tem Board will take control and will begin the process of finalizing all the necessary merger details, resulting in one fully integrated association.

Membership Benefits

After conducting the 2011 member survey, SCEA identified a number of areas where we can improve

our member benefits.

One of those areas was increasing the number of training and professional development opportunities for members. To that end, we recently introduced Chapter Meetings via Webmeeting, supported by the Joint Office. When Chapters host speakers, they can choose to invite other, non-local members to attend the session via webmeeting. If you're a chapter president looking to host a speaker, contact the Joint Office to offer the session to the entire SCEA membership.

We have also recently introduced a new feature, the Online Toolkit. For now it only has one tool – The EVM Trend Tool presented by **Mike Butterworth** to the SCEA SoCal Chapter in May, but we look forward to seeing this feature grow. To view this tool, go to <https://www.sceaonline.org/tools/tools.cfm> (you must be logged in as a SCEA member).

Last but not least, we decided it was high-time to recognize long-term members with Membership Milestone Certificates. We recently mailed out hundreds of certificates to members who have been active for 5, 10, 15, 20, or 25 years. If you've been a member for 9 years, and you only got a certificate for 5-years of membership, don't worry! We plan on sending these certificates out on a regular basis to recognize milestones as they are reached.

Joint Office Changes

I want to close out this Joint Office Update with some bittersweet news: after 2 years with SCEA, where she handled membership services, assisted with event planning, and offered support to ISPA, Erica has decided to go back to school. We wish her lots of luck in this endeavor; she'll be missed. But, we're very excited to welcome a new staff member, **Brittany Walker**. Brittany is a May 2012 graduate of the University of Texas at Austin, and she brings lots of event and customer service experience. We're eager to utilize her skills as the society, and our conferences and events, grow.



Please welcome Brittany Walker to the SCEA team!



SCEA Certification Director's Corner

by Peter Andrejev, Director of Certification, CCEA®, PMP

hear you! Among the several suggestions forwarded from the recent SCEA Membership Survey, you recommended that we:

- Promote certification (and SCEA) within government and academia;
- Increase the frequency and locations of certification examination sessions;
- Provide more test preparation resources, including sample/practice tests;
- Simplify certification information on eligibility and preparation requirements; and
- Clarify recertification information and increase ways of accruing points.

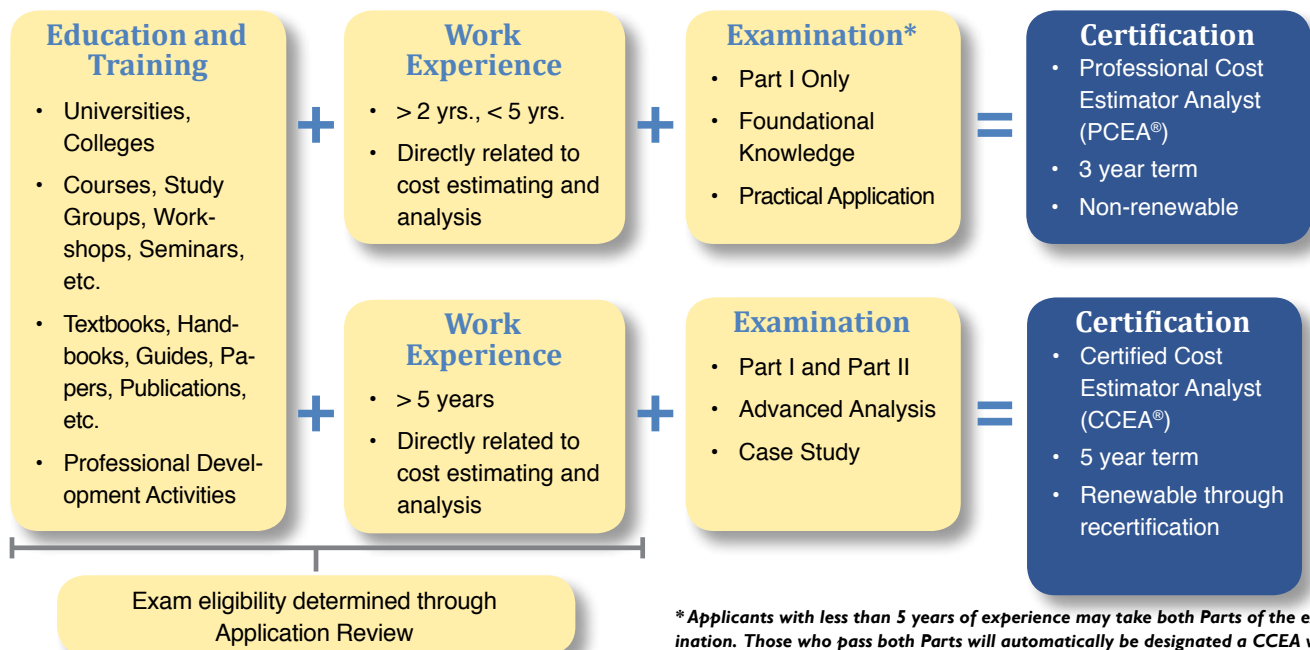
I can't implement all of these immediately, but I can address a couple of these topics now. In 2007, we started reengineering the Certification Program to address concerns that the CCEA® designation did not assure government, commercial or academic employers that the practitioner could develop a credible cost estimate. Among the many enhancements to the program was the requirement for applicants to have a college degree (or equivalent qualifications) and at least five years of related work experience, in addition to passing an examination reengineered to be more equitable and comprehensive.

tion to passing an examination reengineered to be more equitable and comprehensive.

Clarifying Eligibility

While enriching our application standards, we did not want to discourage the next generation of cost analysts. Consequently we introduced the Professional Cost Estimator Analyst (PCEA®) certification as an "intern-like" designation to acknowledge competencies commensurate with having only two years of experience in the profession. Additionally, to prevent dilution or migration from the CCEA®, we do not award applicants with over five years of experience the PCEA® designation. They receive acknowledgment for passing Part I of the CCEA® examination and are encouraged to pass Part II.

With employers increasingly unwilling to reimburse for a second certification, we do not want our certification program to digress to the lowest level of competency and undermine the value of the 600+ practitioners who have already attained the CCEA® designation. Our certification program entails more than just passing an examination; it also employs education and work experience as critical contributors to, and indicators of, the level of one's competency.



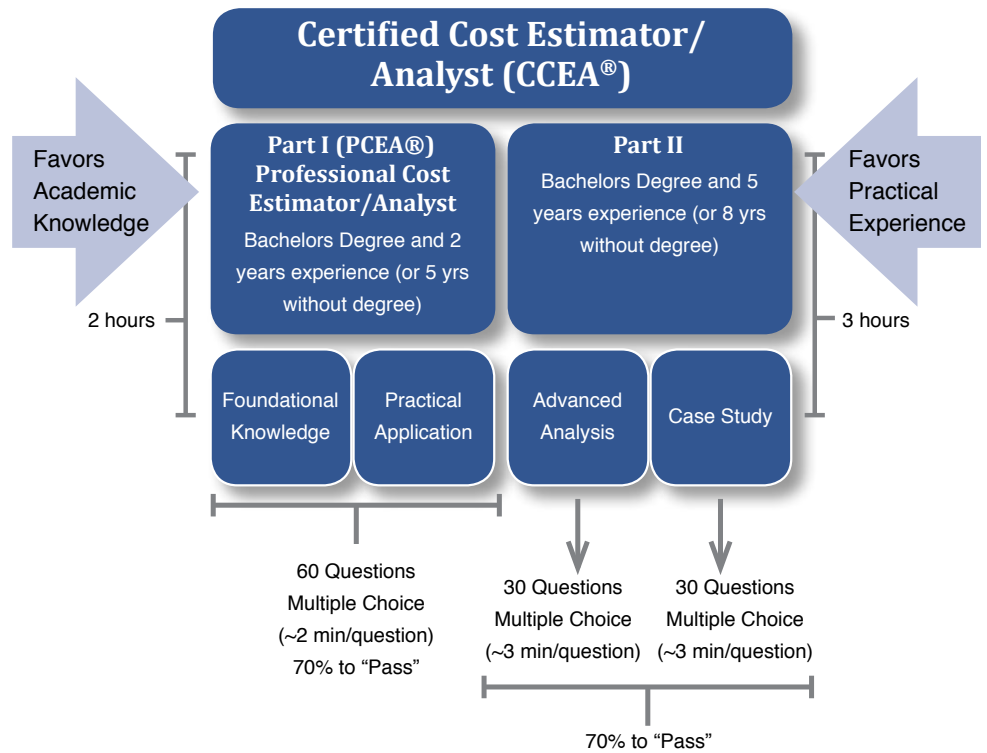
* Applicants with less than 5 years of experience may take both Parts of the examination. Those who pass both Parts will automatically be designated a CCEA when attaining 5 years of experience.

Clarifying the Examination

The CCEA® Examination consists of two Parts:

- Part I consists of 60 multiple-choice questions that test the applicant's mastery of foundation knowledge and its practical application.
- Part II consists of 48 multiple-choice questions and 2 short-answer questions that test the applicant's ability to identify and apply advanced analysis, in part in a case study context.

The depiction to the right further details the duration of each Part of the examination and provides insight on the test design.



Clarifying Recertification

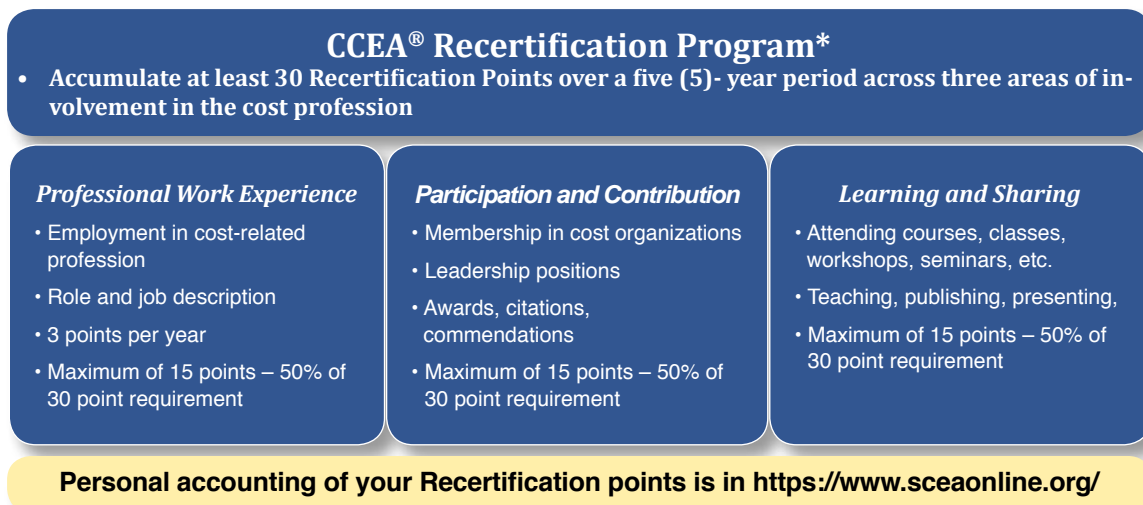
As mentioned previously, the CCEA® designation implies that the holder is competent to generate credible cost estimates and to perform valid cost analyses. Therefore, we require our CCEA®s to remain active in the profession to ensure their skills haven't atrophied. We've identified three broad categories in which our practitioners must remain active in some level:

- Professional work experience – indicates where the CCEA® has retained their skills through cost related employment.
- Participation and contribution – acknowledges where the CCEA® is involved in the cost community beyond their local work environment

and contributes to cost related activities.

- Knowledge attainment and sharing – recognizes where the CCEA® has taken, attended, conducted, or presented cost related training courses, classes, seminars, workshops, etc., or presented, authored or delivered cost related papers, articles, speeches, lectures, etc.

The below depiction summarizes the CCEA® recertification requirements. Remember, keeping active in the profession is not the only way to keep your CCEA® designation; you can always reapply, take and pass the examination that is in effect at the time your CCEA® expires.



* Individuals who do not retain their CCEA® designation through accumulation of recertification points must reapply and successfully pass the examination in effect at that time.

Certification Congratulations

Since the spring, the SCEA Certification Examination has been offered in twelve states, the District of Columbia and in Australia. We would like to thank those who volunteered their time proctoring the exam in order to make this possible: **Kimberly Brantley, Steven Cedotal, Sam Cooke, Stacy Dean, John Deem, Dennis Fox, Ann Hawpe, Ross Hosse, Ken Hunt, Donnie Hustrulid, Weland Mahar, Victor Modic, Gary Moore, Nick Morales, Richard Osseck, Paul Ostrowski, Joseph Parisi, Robert Viglione, Tad Walls and Brian Welsh.**

Congratulations are extended to the following individuals for passing either the CCEA® or PCEA® exam since the last issue of the *National Estimator*:

CCEA® Achievers

- Randall Aldrich
- Nitin Bangera
- David Brown
- Diane Butler
- Sarah Cabezas
- Kathryn Connor
- Aidan Depetro
- Charles Dobbs
- Vladislav Fridkin
- Jeremy Fulwiler
- James Glenn
- Stephen Haff
- Jennifer Huffman
- Tom Jordan
- Stephen Ketcham
- Xuan Kou
- Mitchell Lasky
- Stephanie Lewis
- Paul Linseisen
- Arthur McCormick
- Sheila McGourty
- Robert Nehring
- Jonathan Nickerson
- James Pratt
- Zachary Pryor

- Kathleen Rudd
- Fiona Shrimpton
- Christina Snyder
- George Stroud
- Matt Tetreault
- Steven Tracy
- Beth White
- Charles Wichman
- Christopher Wilkes

PCEA® Achievers / CCEA® Eligible

- Angela Camp
- Paul Casas
- Colleen Craig
- Austin Dowling
- Scott Drylie
- Brian Harris
- Aimee Kirchner
- Richard Lee
- James MacCubbin
- Joseph McDaniel
- Trevor Miller
- Tarah Mitchell
- Victor Modic
- Cristian Petrini
- Elizabeth Ransom

- Kenneth Rhodes
- Alan Rodriguez
- Cabin Samuels
- Ashlin Smith
- David Youd

PCEA® Achievers:

- Sean Andrews
- Diana Archambault
- Meredith Bain
- Kristin Cornwell
- Babak Damadi
- Gerald Gabel
- John Paul Gardner
- Geoffrey Holland
- Keith Johnstone
- William Palmer
- Eric Reilly
- Melanie Selman
- Eric Sommer
- Carson Teasley
- Molly Walsh
- Tolga Yalkin

**Recognized below are those
who have recertified since
the last issue of the *Estimator*:**

- James Black

- Christopher Blake
- David Brown
- George Cash
- Susan Catala
- Roger Clark
- Cynthia Cook
- Thomas Dauber
- David Dring
- John Dubelko
- Garrett Filemyr
- Eric Gabrielson
- Daniel Harper
- Roger Hill
- Christian Kaldes
- Leo Kamp
- John Ko
- Jonathan Lister
- Aaron Luster
- Paul Ostrowski
- James Rothman
- Randy Sherrill
- James Strachan
- John Sullivan
- Charles Thompson

Chaptering & Membership

By Mike Thompson, Chaptering and Membership Chair



The summer seemed to slip right past a lot of us and in the area of Membership and Chaptering, it seemed to go even quicker than planned. For the upcoming quarter there are some great things happening in all of the chapters, and we are also strengthening the support network with the Joint Office. Among the exciting news is the establishment of a new chapter and the revival of a dormant chapter.

Currently we are gathering the necessary signatures and paperwork to establish a Central Virginia Chapter. It is designed to geographically fill in the area between the Washington Metro Chapter and Hampton Roads Chapter, primarily supporting the cost communities in Quantico, Dahlgren, and Richmond. This effort to

establish the Central Virginia Chapter is being led by **Brad Ellis, Daniel Mask, and Tucker Moore.**

We are currently working with **David Holm**, Chief, Cost and Systems Analyst for USA TACOM LCMC to revive the SCEA Detroit Chapter. TACOM is located in Warren, MI and can generate membership from Support Contractors and other DoD vendors as well as possibly creating some interest from the automobile industry.

We are also working on establishing a Tuscon, AZ Chapter (post-merger). **Frank DiCosola** (DCMA) is leading that effort.

David Bach and I have been talking about what can be done to stimulate the Heart of Texas Chapter. One suggestion that came up at the 2012 Joint Annual Conference & Training and Workshop in Orlando, FL, was to try to get the other two chapters in Texas together to put on a mini-workshop benefiting all of the SCEA members in the Lone Star State. We're looking forward to exploring this option in the future.

As new chapters are formed and other chapters see turnover in their Board of Directors, it's important to remind everyone what the Joint Office can do to support chapter leadership:

- email blasts to members
- online event listing
- online event registration/management
- assistance in finding speakers
- discount for online election website
- managing chapter surveys
- Webmeeting support

Finally, I'd like to introduce you to **Andrew Drennon**, who will be taking up the reins as Assistant Chaptering & Membership Chair. Andrew has been a member of SCEA for several years and has volunteered at several conferences, taking on roles such as Track Chair, Best Paper Chair, and IPM Cost Track Chair. Andrew was also very active in the programs and events in the Southern Maryland Chapter, prior to changing his work venue to Springfield, Virginia from Lexington Park, Maryland. Andrew's initial task will be to establish regular Chapter President Telecoms.

Welcome Andrew; we wish him the best of luck!

In an uncertain economy,

**HOW DO YOU MAKE YOURSELF
STAND OUT FROM THE CROWD?**

Post your resume on the **Cost Estimating Career Center** to be seen by employers in the market for an employee who thinks outside the box.

- Go to <http://careers.sceaonline.org/>
- Click on **"Job Seekers"**
- Follow link for **"Post your Resume"**
- Get your name out as an employee who will go the extra mile for the job!

SCEA



What Do You Know?

By Peter Braxton, Director, Body of Knowledge, pbraxton@technomics.net

And there was great rejoicing! As I'm sure you've heard by now, the merger of SCEA and the International Society of Parametric Analysts (ISPA) has been resoundingly approved by their respective memberships, and by the time you read this, it may very well have been finalized. Now that we've beaten our spreadsheets into ploughshares and slide rules into pruning hooks, and because one can never have too many groan-inducing puns – nor mixed metaphors, for that matter – I'd like to say that "ICEAA" bright future ahead of us!

Two Heads Are Better Than One

I wrote extensively about the merger and my efforts to support it in my column in the Fall 2011 *Estimator*, and I would encourage you to go back and read that one –

easily downloaded from the Member Documentation section of the SCEA website, don't you know?! – if you missed it. The key points are that SCEA and ISPA have enjoyed a rich history of joint training events, and that as a single society – sorry, "association" – we will better integrate the Parametric Estimating Handbook (PEH) content into the Cost Estimating Body of Knowledge (CEBOK®), better integrate the Cost Estimating and Analysis and Parametric certifications, and have better coordination of the vital and complementary Body of Knowledge, Training, and Certification functions under the auspices of the new Vice President for Professional Development.

Greetings From Orlando (and Brussels!)

I see the Body of Knowledge existing between Research and Training, primarily being fed by the former and feeding the latter. Research, in the form of conference papers, which are often strongly supported by government research programs, project work, or corporate investment, breaks new ground, tests conventional wisdom, and makes accessible new data sources and analytical techniques. Inexorably, we try to "digest" the highlights into the Body of Knowledge and incorporate the papers by reference for a more thorough treatment. This then enables our robust Training program to pass along these advances to a new generation of students who may have missed the papers the first time around.

I was pleased to have the opportunity to work with ISPA's **Roy Smoker** in organizing the joint training at the European conference in Brussels in May and presenting a couple of sessions. He did a great job recruiting instructors from both the United Kingdom, such as Rolls-Royce's Stuart Wicks, and the continent, such as Hervé Joumier from the European Space Agency (ESA), who brought a fresh perspective and lively presentation to the CEBOK® material.

I applaud the work my colleagues National Training Chair **Kevin Cincotta** and Conference Training Chair **Brian Welsh** did to expand the Training offerings at the joint international conference in Orlando in June from

Calling All Authors!

Publish your work in the *Journal of Cost Analysis and Parametrics* (JCAP)!

Benefits Include:

- Peer recognition of your professional accomplishments
- Seeing your published research cited in professional papers and studies across the industry
- Earning recertification points with ISPA/SCEA toward renewal of your professional designation
- Advancing your standing and recognition with your employer and customers

Submit your project or research paper, new or old, for possible acceptance and inclusion in JCAP. See <http://www.sceaonline.org/publications/journal.cfm> for more information and publication guidelines.

Send your submissions to:

- Edward (Tony) White, Editor, at stat.associates@gmail.com

Questions?

Contact Christian Smart, Managing Editor
christian.smart@mda.mil



three tracks to four, and from 36 sessions to 42. This included an expansion of the CEBok-based offerings, with hefty topics like Probability and Statistics and Economic Analysis (EA) following the lead of Regression and Risk in being split out into two 90-minute sessions each. Module 16 Cost Management, the red-headed stepchild of CEBok, was taught at the conference for the first time, and the presentation of Earned Value Management (EVM) drew directly from CEBok® for the first time. As a paragon of non-CEbok®-based conference training, **Dr. Wilson Rosa** worked extensively with colleagues and the conference training staff to refine his Automated Information Systems (AIS) module into a product eminently useful to the community and graciously offered it for potential inclusion in CEBok®. Many thanks to the track chairs and other instructors, who are too numerous to mention here. Your hard work enables Training to be not only a “consumer” but also a “supplier,” generating many potential additions to the next version of CEBok®. Speaking of which,...

CEbok® Continual Improvement

I’m pleased to announce that we have begun work

in earnest on version 1.2 of CEBok®. A statement of objectives (SOO) was reviewed in the spring timeframe by the CEBok® Steering Committee, and a detailed statement of work (SOW) was issued, addressing a couple hundred individual improvements in the form of corrections, additions, updates, and clearer and more complete explanations. We are targeting early 2013 for release of v1.2. As a reminder, current CEBok® license holders are entitled to free upgrades.

Into the Great Wide Open

Even as we continue to improve CEBok®, we are looking ahead to the “next big thing” – Son of CEBok®, if you will. Thanks to **Joe Dean** of the Air Force Cost Analysis Agency (AFCAA), who has coordinated the release of a request for information (RFI) and review of subsequent responses. Based on ideas from the broader community, we will forge a path to better deliver the expanded content, training, certification prep, and desktop reference you have come to expect from CEBok®. If you would like to contribute, I would encourage you to contact Joe.

REIFER CONSULTANTS LLC

“Making measurement-based decisions”



Based on popular demand, we are pleased to announce that we will start republishing our “Software Productivity, Cost and Quality Benchmarks” bi-annually starting in January 2013. These benchmarks provide you with Key Performance Indicators (KPIs) within 17 applications domains. These benchmarks enable their users to:

- Understand the key factors that drive software productivity, cost and quality
- Assess performance against objective measures established for that purpose
- Compare how well you are doing against others who are deemed “best in class”
- Identify areas of excellence and others where improvements may be needed
- Justify investments based upon improvements made in operational efficiencies
- Improve their overall “win” capabilities by generating more credible estimates

For information on how to subscribe and get your copies, contact:

Reifer Consultants LLC, 14820 N Dragons Breath Ln, Prescott, AZ 86305
Phone: 928-237-9060; Email: info@reifer.com



Training Corner

What's Causin' All This?

By Kevin Cincotta, Training Chair

I want to thank everyone involved for helping to make the training program at the 2012 SCEA/ISPA Joint Annual Conference & Training Workshop a tremendous success! As you no doubt know, the gala was held in Orlando, FL from June 26 to June 29, 2012. I was able to attend only the final day of the training due to a back injury, but the inimitable **Brian Welsh** stepped up nicely in my absence, running the conference training without a hitch. I quickly concluded that, with guys like Brian, who needs me?? But I decided to write this column anyway. You may recall that Brian served as Chair for the Parametrics Track at last year's event. Brian's "step-up" was even more impressive given that we undertook a major track redesign at this conference. The training featured a new, four-track format. The format provided a more logical separation of content and accommodates the Society's growing membership, growing rate of conference attendance, and merger with ISPA. We offered 42 training courses, which the technical experts tell me eclipses the previous high water mark of 36. The precise amount by which 42 exceeds 36 is still a matter of significant research and intense debate, naturally. The four tracks were: Cost Estimating – Basics, Parametrics, Cost Estimating-Advanced, and Integration. As before, content was culled from the Cost Estimating Body of Knowledge (CEBoK®), Parametric Estimating Handbook (PEH), and other authoritative sources, including the GAO Cost Estimating and Assessment Handbook.

Next, a big shout-out to Training Track Chairs (many of whom also contributed individual training sessions): **Kammy Mann** and **Lauren "Windy City" Nolte** (Cost Estimating – Basics); **Tucker Moore** and **Heather Nayhouse** (Parametrics); **Angela Camp** and **Kirsten Schulte** (Cost Estimating – Advanced); and **Travis Manning** and **Kyle Thomas** (Integration). Overall Conference Chair **Bill Haseltine** balanced papers and training to effect an appropriate mix for veterans and first-timers alike, and booked a Lifetime Achievement Award to boot! Finally, each year, I'm increasingly reliant on my dedicated, professional, fun-loving, and easy-to-work-with colleagues, as well as the unrelenting support of the SCEA National Office. Please accept

my sincere thanks and appreciation for your hard work and dedication. It truly paid off!

Of course, a training program is nothing without the trainers themselves. I'd also like to personally thank each and every trainer from this year's conference. We had a great diversity of trainers, from reliable veterans like **Neil Albert** and **Tom DuPré**, to first-time senior trainers like the incomparable **Shu-Ping Hu**, to perennial SRO (Standing Room Only!) trainers like **Eric Druker** and **Greg Hogan**, to my own perennial tag team partner, **David "The Prophet" Harris**. The rest of the SCEA training corps consisted of **Tim Anderson**, **Rob Bickel**, **Peter Braxton**, **"Downtown" Dave Brown**, **Angela Camp**, **Alan Campbell**, **Rick Collins**, **Marie Colitti**, **Spencer Comert**, **Ray Covert**, **Colleen Craig**, **Tom Dauber**, **Joe Dean**, **Jason Dechoretz**, **John Deem**, **Joanne Fang**, **Brian Fersch**, **Frank Flett**, **Brian Flynn**, **Robert Heath**, **David Hulett**, **Greg Kiviat**, **Justin Knowles**, **John Krahula**, **Richard Lee**, **William Laing**, **Kathy Loudin**, **Mike Metcalf**, **Kim Meyer**, **Jerry McAfee**, **Tucker Moore**, **Heather Nayhouse**, **Robert Ogrodnik**, **Darren DeReus**, **Megan Guild**, **Travis Manning**, **Matt Pitlyk**, **Wilson Rosa**, **Gabe Rutledge**, **Kirsten Schulte**, **Christian Smart**, **Carolyn Smith**, **Sam Toas**, **Brian Welsh**, and **Pat Zedaker**. If you provided training this year and I neglected to list your name above, please let me know (and accept my apologies for the oversight). All of the anecdotal feedback I've received so far has been positive, and it's a testament to each of your abilities as trainers that the sessions continue to be so popular. The Joint Office staff has compiled the results of the formal course evaluations, which will be used to provide feedback to instructors and help shape next year's training in the spirit of continual improvement. Before I leave the subject of trainers, I'd be remiss if I didn't mention that this was the first SCEA Conference of my career that didn't feature **Steve Book**, who passed away earlier this year. A longtime giant in the cost community, Steve's technical expertise across an incredible diversity of topics, phenomenal wit, and self-effacing

manner endeared him to us all. I was heartened (and pleasantly surprised) when someone close to Steve recently told me that he spoke and thought of me often. I'd like to use this venue to say that the feeling is mutual, and Steve and his family continue to be in all of our thoughts and prayers.

I was also pleased to hear that the sessions provided many with the final preparations needed for the Certified Cost Estimator/Analyst (CCEA®) and Certified Parametric Practitioner (CPP) exams, and I'm pleased to see that so many people sat for the exams offered at the conclusion of the conference.

Finally, this was the first year that we fully implemented the ecumenical approach to training about which I wrote in the last column. This meant that the entire Society received (or should have received) the Call for Trainers email, no single trainer presented more than three sessions, and that we had an unprecedented number of trainers. The ecumenical approach means greater diversity of trainers' backgrounds, perspectives, education, experience levels, and organizations (not to mention increased richness and diversity of training content). We will continue to grow and broaden the scope of the training program, so we always need more instructors experienced in teaching CEBoK, including the Related and Advanced Topics sections, as well as non-CEBoK topics. Do you (or someone you know) have training con-

tent to share? Or maybe you have feedback about the conference training. Maybe you want to ride roller coasters with me, and you're worried that you missed your chance at Space Mountain. Or maybe you just want to tell me what everyone else asks me: What's causin' all this?!? Whatever the content, you may share it with me, and it just might appear in the next *Training Corner*.

WANTED

CCEA EXAMINATION TEST QUESTIONS

1 Topic Category
Parametric Estimating: CER

2 Topic
Parametric Estimating: CER

3 Question
1. QUESTION: If a CER for Site Development was developed giving the relationship, y (in \$K) = $31.765x + 145.32$ (where x is the number of workstations) for a data set cost driver that had a range minimum of 2 workstations to 52 workstations, and the independent variable has tested positively for significance, the predicted cost for a site that had 33 workstations would be:

4 5 multiple choice responses
a. \$1,193.57
b. \$1,193,565
c. \$1,797.10
d. \$1,797,100
e. \$208,850

5 The Answer
ANSWER: B

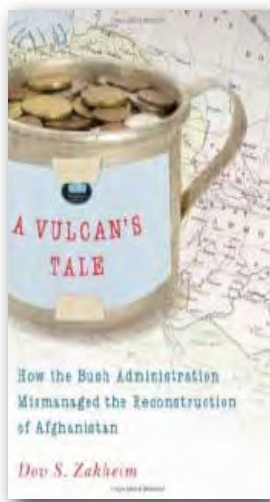
6 The Solution
SOLUTION: $y = 31.765 * 33 + 145.32 = 1,193.57$ but must convert to \$K; value is $1,193.57 * \$1000 = \$1,193,565$

7 Reference
REFERENCE: CEBoK Module 3

REWARD

Re-Certification Points for Questions Fully Documented as Above

Contact the SCEA Office or Director of Certification at scea@sceaonline.org for Specifics.



**A Vulcan's Tale:
How the Bush Administration
Mismanaged the Reconstruc-
tion of Afghanistan**

By Dov S. Zakheim

BOOK REVIEW

Lt Col Peeler currently serves in the Air Force's Budget Investments directorate in the Pentagon. His most recent master's degree is in Strategic Studies from the Army War College. Peeler is a Certified Cost Estimator/Analyst and an Air Force certified acquisition professional in both financial and program management.

Money Changes Hands... A Good Book Changes Minds

Book Review by Lt Col David Peeler

One could argue this book really isn't about the reconstruction of Afghanistan, but a critique of policy processes and the flaws that impede implementation. Afghanistan provides the context, as it's the temporal source of Zakheim's experience and credence of cogency for his points of interest for comptroller personnel. You should read with interest about Zakheim's broader than comptroller duties, and his astute observations regarding policy formulation vis-à-vis implementation actions. Of further interest is the recounting of numerous frustrations with a sometimes-nonsensical policy-making process within the Department of Defense and the executive branch more generally.

Having started the review mentioning the book's subtitle, you might be wondering about the title. The term Vulcan, coined by Condoleezza Rice, identified a group of eight advisors to George W. Bush, during his first presidential campaign. Zakheim was a Vulcan, all of whom were veteran policy-makers from previous Republican administrations. The majority of the Vulcans went on to hold significant executive branch positions. Zakheim identifies them in the book.

The book is a tour-de-force through decision-making with a eye on implementation from the highest level of comptrollership. Zakheim's portfolio as comptroller included coordinating U.S. civilian reconstruction efforts in Afghanistan, which took him beyond funds execution. He links the strategic to the tactical in a work pointing out the operational sinews between visionaries and executors. He also conveys the daily frustrations of trying to make the U.S. policymaking system work sensibly.

Throughout, Zakheim elucidates policy/implementation disconnects. Early in the book he states with respect to Iraq and Afghanistan, "No one in a position high enough to matter appreciated the institutional design function of leadership. So absorbed were policymakers with the 'why' and 'what' questions of policy direction, no one bothered with the 'how' questions of policy implementation." Broadly, he expands this view to the U.S. government writ large through examples, experience, and references. Interestingly, he recognizes the decline in institutional technical expertise that contributes to the lack of personnel with the knowledge of how to design and efficiently do implementation.

Zakheim defines budget as policy, while pointing out that managing the departmental budget is policy implementation. Not confined to the budget, he acknowledges the details and intricacies of requirements identification/definition and funding while focused on the translation from the strategic to the tactical. For a senior leader, he is remarkably conversant in the mundane but necessary aspects of policy implementation. In Afghanistan especially, it's not sufficient to recognize that mission executors need fuel, food, facilities, ... Leaders must define and articulate how those things get into place. They must provide the construct not just the concept.

Now, for the die-hard costers like me, chapter nine is all about "The Cost of War." Not the grandiose stuff, but the assumptions, estimates of requirements, ops support costs, incremental aircraft cost You get the picture. The book quickly walks the reader through three cost options. Also addressed are machinations within OSD and OMB expectations. Then, some implication/effects of transformation and program terminations are discussed.

A Vulcan's Tale is highly recommended for all that touch or are impacted by policy and the grand ideas of visionaries. A great read that flows well through a number of topics of interest to many. Of particular interest for comptroller personnel is Zakheim's presence and absence, depending on the topic, at the decision-making table.



Origins of the ICEAA

by Joe Wagner, ICEAA Pro Tem Treasurer

The merger of ISPA and SCEA into the International Cost Estimating & Analysis Association is only the latest change for the cost estimating and analysis profession. As a dyed in the wool history buff, I think the occasion of our merger makes this a good time to take a look backward in our organizational history and see where we got our start.

ICEAA was preceded by a series of similar organizations, shown in Figure 1. Each box shows the organization, the acronym, and the date of its creation. The level below each box is the predecessor organization or organizations. The lowest box represents the oldest – and original – organization from which we spring – the Industrial Estimating Society of San Diego (IESSD), founded in 1960.

The concept of a professional association for systems cost estimators was born in the mind of Roy F. Ashe, who was Director of Estimating for Convair Aircraft, a division of General Dynamics Corp. in San Diego. It was he who first suggested organizing an association for estimators, and promoted that notion among his peers in the local San Diego companies. There already existed similar professional associations for other sub-sets of costing (civil engineering and construction, for example). But Roy Ashe was involved in the development and production of military and commercial aircraft, which was one of the dominant industries in the San Diego area at that time, and there was a significant population of estimating professionals that Ashe felt could benefit from such an organization.

He began by writing letters to several professional associates at such

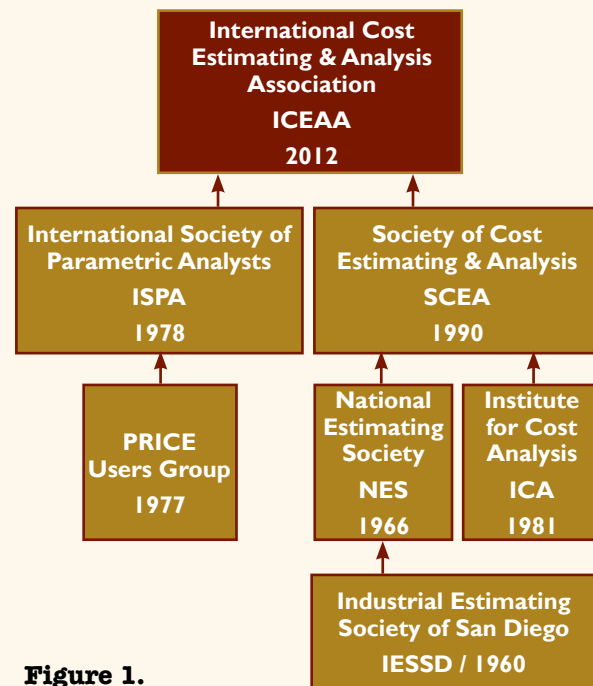


Figure 1.

companies as General Dynamics, Ryan Aircraft, Rohr Aircraft, and Solar Corp., an aircraft parts fabrication house, suggesting that a professional association focused on aircraft industry costing be organized. Through the fall of 1959, this group met periodically to discuss how to proceed, and then to create the necessary documents that formed the basis of an association. On October 22, 1959, they completed a set of bylaws and Articles of Incorporation, which were submitted to the State of California for approval. The charter for the new entity – which they had named the Industrial Estimating Society of San Diego – was issued. The first set of officers identified in the charter was:

President – Roy F. Ashe, Convair Aircraft;
Vice President – Donald Wright, Ryan Aeronautical Company;
Secretary - Leaton H. Boggess, General Dynamics Astronautics; and
Treasurer – Lewis Grant, Convair Aircraft.

The next step was finding the membership. By word of mouth and corporate communications, the estimating staff of every aircraft-related company and contractor in the San Diego area was invited to a dinner to be held at the Catamaran Hotel on Mission Bay, January 5th, 1960. While the founding group was uncertain what the response would be, any fears proved groundless as



Figure 2. The first Board of Directors of IESSD. L. to R.: Leaton H. Boggess, Chief of Estimating, General Dynamics Astronautics, (IESSD Secretary); Thomas R. Massey, Ryan Aeronautical Corp.; Bruce C. Crabtree, Solar Aircraft Co.; Roy F. Ashe, Director of Estimating, Convair Aircraft Co. (IESSD President); Colin P. Stillwagon, Vice President, Ryan Aeronautical Corp.; Donald Wright, Ryan Aeronautical Co., (IESSD Vice President); Marvin E. Humphrey, Manager of Estimating, Rohr Aircraft Corp.; Lewis Grant, Supervisor of Estimating, Convair Aircraft Co. (IESSD Treasurer).

over 200 professional estimators turned out, and the IESSD became a reality. Roy Ashe addressed the assembled costers, and explained what he and his founding group were looking for.

"The thought is to bring together the best talent available on the estimating subject in order to promote and exchange ideas. Each of you will have the opportunity to review and evaluate practices and procedures used by other companies to increase your personal skills, thereby increasing your value to your company and to the industrial community as a whole."

In other words, he wanted the Convair estimator and the Ryan Aeronautical estimator and the General Dynamics Astronautics estimator to share their knowledge with each other and thereby improve the abilities and products of all. He saw the IESSD as the vehicle for that interchange and growth.

Besides the interchange of ideas and techniques, Ashe offered a set of five objectives envisioned for the new organization:

1. To cultivate an understanding of the estimating function as an aid to, and as a part of, effective management.
2. To provide through interchange of information the means for increasing the competence of all those who are responsible for the preparation and presentation of cost and price estimates.
3. To collect, develop, and disseminate information relative to estimating techniques, procedures, and criteria that is compatible with current technological and economic conditions.
4. To provide through the exchange of information for the continuing improvement of the procedures and techniques utilized in contract negotiations.
5. To make available to educational institutions procedural information collected from the membership and from research activities.

As a result of the founding dinner, 126 estimators signed up for membership. The first member, beyond the founding Board, was a Mr. E. N. Gray, an estimator at Rohr Aircraft. For the next five years, the IESSD nurtured the San Diego estimating community. In 1965, the logical growth and expansion of the aircraft estimating organization led to the founding of a national organization with much broader goals, and thus a necessary change in the name — to the "National Estimating Society". The first NES President was Marvin Humphrey, of Rohr Aircraft. And so we were on our way.





SOX and FMFIA:

Leveraging Information for Compliance

by David L. Peeler, Jr.

“Crafting of pointed language allowed the government to leverage reports already required by public law to satisfy internal government reporting.”

If you picked up this piece thinking it's about the Boston Red Sox and some obscure dealings with last year's historic retreat from the pennant race, put it back down. However, if you're interested in reading about how governmental entities can leverage already existing private sector reporting information to meet public sector compliance, this piece should interest you. In general, knowledge and understanding of private sector requirements and practices can greatly benefit government personnel. One large benefit is to reduce the government's cost when contracting products and services from the private sector. The specifics of a particular case regarding the use of Sarbanes-Oxley, a.k.a. SOX, to provide no/low cost data for Financial Managers Financial Integrity Act (FMFIA) of 1982 reporting is depicted.

In a competitively bid cost plus services contract several years ago, the knowledge of SOX requirements applicable to the bidders was used to fashion a performance work statement (PWS) sub-section to cover FMFIA requirements regarding government owned/government provided equipment. Crafting of pointed language allowed the government to

leverage reports already required by public law to satisfy internal government reporting. The purpose of which was to address previous years' problems in obtaining contractor assurances pertaining to government owned/contractor managed equipment. The incremental costs the contractor wanted to charge was of additional concern.

Identification of the similarities between FMFIA compliance and sections of the newly passed SOX legislation offered a solution to the issue at hand. The principle, broad operative section of the FMFIA is in its section 2 requirements.

Sec.2. Section 113 of the Accounting and Auditing Act of 1950 (31 U.S.C.66a) is amended by adding at the end thereof the following new subsection:

(d) (1) (A) To ensure compliance with the requirements of subsection (a)(3) of this section, internal accounting and administrative controls of each executive agency shall be established in accordance with standards prescribed by the Comptroller General, and shall provide reasonable assurances that --

(i) obligations and costs are in compliance with applicable law

(ii) funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and

(iii) revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets. [emphasis added]

(B) The standards prescribed by the Comptroller General under this paragraph shall include standards to ensure the prompt resolution of all audit findings.

Thus FMFIA section 2, amending (d)(1)(A)(ii), obliges all functional area leaders to “provide reasonable assurances that... assets are safeguarded against waste, loss, unauthorized use...” The related SOX content is found in its section 404 requirements.

Sec. 404. Management <<Note: 15 USC 7262.>> Assessment of Internal Controls.

(a) Rules Required.--The Commission shall prescribe rules requiring each annual report required by section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) to contain an internal control report, which shall--

(1) state the responsibility of management for establishing and maintaining an adequate internal control structure and procedures for financial reporting; and
(2) contain an assessment, as of the end of the most recent fiscal year of the issuer, of the effectiveness of the internal control structure and procedures of the issuer for financial reporting. [emphasis added]

(b) Internal Control Evaluation and Reporting.--With respect to the internal control assessment required by subsection (a), each registered public accounting firm that prepares or issues the audit report for the issuer shall attest to, and report on, the assessment made by the management of the issuer. An attestation made under this subsection shall be made in accordance with standards for attestation engagements issued or adopted by the Board. Any such attestation shall not be the subject of a separate engagement.

SOX section 404(a)(1) and (2) place requirements for “adequate internal control structure” and a fiscal year-end “assessment... of the effectiveness of the internal control structure...” Each act requires attestation at the highest level that controls are in place. For government entities attestation is made by agency secretaries and CEOs must sign SOX compliancy.





Lt Col Peeler currently serves as Chief of both the Budget Investments Integration and the Military Construction Divisions on the Budget Investments Directorate in the Air Force Secretariat. Lt Col Peeler is a certified Cost Estimator/Analyst and an Air Force certified acquisition professional in both financial and program management. He is a member of both the Society of Cost Estimating and Analysis and the American Society of Military Comptrollers.

FMFIA	SOX
administrative controls of each executive agency shall be established	establishing and maintaining an adequate internal control structure
assets are safeguarded against waste, loss, unauthorized use	an assessment, ..., of the effectiveness of the internal control structure
maintain accountability over the assets	
ensure the prompt resolution of all audit findings	each registered public accounting firm... shall attest to, and report on, the assessment made by the management

So, not only are the laws similar regarding internal controls, but they also have audit requirements. Thus, audit exposure is an independent assessment of management's attestations of agency/firm compliance. Therefore, in our case the government is reasonably assured by both contractor CEO assessment and backing by their annual audit.

Turning from the specifics of the two laws back to the internal control issue surrounding the government owned/contractor managed equipment, we recognized an opportunity to change our circumstances. In the open competition source selection for our contract, the Request for Proposal's PWS parroted the internal control language of SOX with reference to FMFIA. The "Contract Management" section of the PWS reads in part:

– Maintain and annually assess the effectiveness of accounting processes and internal controls procedures of both the financial systems and organizational management controls. Report the results to the Government, certifying in writing that necessary measures to provide reasonable assurance have been taken. (Reference AEDC requirement under the Federal Managers Financial Integrity Act. [emphasis added])

Thus, we required the contractor to provide reasonable assurance in line with FMFIA for management of government provided equipment. Leveraging the contractor's legal requirements for internal controls allowed government compliance with FMFIA without additional costs to the contract that wasn't already present. Such results were the product of good situational awareness of actions occurring outside the government sector and a good rapport with the prospective bidders. This requirement was included in industry discussions days after release of the draft RFP and subsequent to final RFP. Questions were also fielded via industry comment exchanges.

Fueled by understanding of financial issues in the private sector, leverage was created to have the contractor meet a government requirement and do so at little to no additional costs to the government. In thoughtful ways, targeting specific efforts, variants of this design could be applied to other activities or requirements. The idea of being properly informed with respect to private sector requirements, innovations, tactics, techniques, and procedures can well serve government workers in both carrying out and improving government operations.

Public Law 107-204. Sarbanes-Oxley Act of 2002. Government Printing Office. Accessed on-line at: <http://www.gpo.gov/fdsys/pkg/PLAW-107publ204/html/PLAW-107publ204.htm>

Unlike FMFIA, SOX carries specific punitive fines and individual criminal penalties. Recognizing that we could leverage legislation produced by Congress in response to the financial collapses of Tyco, Enron, and WorldCom, we piggy-backed reporting requirements already being levied on the prospective contractors.

Request for Proposal, F40600-R-0001, 6 January 2003 for the Operation, Maintenance, Information Management, and Support of Arnold Engineering Development Center (AEDC).



2012 SCEA/ISPA Conference

By Erin Whittaker, SCEA Executive Director, and Bill Haseltine, Conference Co-Chair

The 2012 SCEA/ISPA Conference was one of our most successful to date, an impressive feat considering that this was a year in which SCEA and ISPA held both a domestic and an international conference. The event was held in Orlando, FL from 26 – 29 June 2012. We had over 520 attendees, 100 professional presentations, newly expanded training, Exhibitor Sessions, Informational Sessions, and CCEA Study Sessions. The Conference hotel was the Hilton Orlando, a newly built conference hotel with great amenities and a convenient location offering quick access to many local Orlando attractions.

Exhibitors and sponsors are one of the cornerstones of a successful event. This year we had 15 Exhibitors: **ACEIT, Boeing, Booz Allen Hamilton, Cobec Consulting, Dekker, Galorath, Kalman & Company, MCR, Palisade Corporation, PRICE Systems, Quantech Services, Scitor Corporation, TASC, Technomics, and Wyle.** We sincerely thank them for their support and participation. We would also like to thank the following sponsors:



Schedule of Events

Tuesday started with lots of professional development opportunities for attendees, with Training Sessions, Exhibitor Presentations, and Informational Sessions. In the evening, attendees had the opportunity to network with peers and exhibitors at the Attendee Reception.

Wednesday opened with an inspiring speech by our Keynote, **Commander Kirk Lippold**. The day continued with training, and the start of professional presentations and CCEA study sessions. In the evening, attendees had the chance to get out and see the area with our shuttle to Universal CityWalk.

On Thursday, Keynote Speaker **Ron Youngs** gave an intriguing speech to start the day. In the afternoon, we held an Awards Luncheon to honor winners of the SCEA Annual Awards and 2012 Conference Best Paper Awards. In the evening, after a long day of learning and networking, attendees were treated to an offsite dinner at SeaWorld.

Best Papers

We were lucky to have a wealth of top-quality papers presented at this year's conference. Unfortunately, only a select few can be chosen as winners of the Best Paper Awards. For more information about the winners, please see Andrew Drennon's article (following this article). We'd like to take a moment to congratulate the winners: **Ray Covert** and **Noah Wright** (Parametrics Track); **Brian Flynn**, **Peter Braxton**, **Paul Garvey**, and **Richard Lee** (Risk Track); **Erik Burgess** (Management Track); **Simon Dekker** (EVM Track); **F. Gurney Thompson** and **Robert Koury** (Life Cycle Cost Track); **Darrell Hamilton** and **Brian Gillespie** (Software/Hardware Track); **Zachary Jasnoff** (Methods & Models II Track); **Robert Nehring**, **Katharine Mann**, and **Robert Jones** (Methods & Models I Track and Best Overall Paper).

SCEA Annual Award Winners

We're pleased to congratulate the following winners of the SCEA Annual Awards:

- 2012 Lifetime Achievement Award: **William Haseltine**
- For Technical Achievement: **Virginia Stouffer**
- For Contributions in the Field of Education: **Kevin Cincotta**
- For Service to the Society: **Eleanor Bassett**
- For Contributions in the Field of Management: **Tom Dauber**

See Debra Lehman's article in this issue for more information about each winner. Congratulations to them all!

Thank you...

SCEA/ISPA Conferences come together with the hard work and dedication of a select group of volunteers, without whom our event would not be so successful. We'd like to thank this year's volunteers: **Mel Etheridge** and **Mike Thompson** (Program Co-Chairs), **Brian Welsh** and **Kevin Cincotta** (Training Chairs), **Debra Lehman** (SCEA Annual Awards Chair), **Andrew Drennon** (Best Paper Awards Chair), **Linda Williams** and **Eric Mosier** (CCEA Study Session Coordinators). We would also like to thank the Joint Office staff and members of the SCEA and ISPA Boards of Directors for their support. Last but not least, a big thank you goes out



Top to bottom: Conference Chair **Bill Haseltine** greets **Commander Lippold**; **Bill** with Keynote **Ron Youngs**; Attendees watching a captivating presentation.

to local Central Florida Chapter volunteers from MCR who helped us with conference prep and registration: **Ariz Sirkhan, Steven Xu, Lisa Hackbarth, Samantha Cheng, Don Trapp, Noah Wright and Karen Rivaud.**

Come see us in 2013!

The 2013 ISPA/SCEA Conference will be held from 18 – 21 June 2013 in New Orleans, LA. Be sure to join us in the Big Easy for many more professional development and training opportunities! Call for Papers information for the 2013 Conference is available online at <https://www.sceaonline.org/events/callforpapers/upload.cfm>. Upload your abstract today!



2012 SCEA Annual Awards

*By Debra Lehman,
Annual Awards Chairperson*

As Chairperson of the 2012 SCEA National Awards Committee, I, along with the Awards Committee, had the rewarding job of honoring fellow estimators/analysts for their work achievements and SCEA volunteer efforts. We received many nominations for the SCEA Annual Awards this year, and with such deserving nominees to choose from, deciding on just one winner in each category is no easy task. I'd like to

thank everyone who submitted nominations, as well as everyone who was nominated. I'd also like to thank the following members of the Awards Committee – **Kim Bell, Yolanda Ward, Tom DuPré, Jeff Moore, Daniel French, Tom Sanders, Capt Joe Bauer, Christian Smart, and Charles McNeil** who helped make these awards happen. Congratulations to the following individuals in each of the awards categories.

2012 Lifetime Achievement Award for Outstanding Contributions to the Profession of Cost Estimating and Analysis — William Haseltine

William (Bill) Haseltine, whose career spans 35 years, is Senior Cost Analyst for the US Navy Engineering Logistics Office. He has served on the SCEA Board of Directors for over 10 years, in roles as Director, Region 1 VP, President, and currently as Past President. In his role as President from 2007 to 2011, Bill helped increase society membership, forged closer ties with other professional associations like NCMA, ISPA, and CPM, implemented the Corporate Sponsor Program, and helped increase SCEA's presence both nationally and internationally. He has assisted in SCEA/ISPA Conferences at various levels since 1991, in roles like Track Chair, Awards Chair, Conference Chair and Co-Chair, and as a member of the conference site selection process. We're all grateful for Bill's dedication to SCEA and we're pleased to present him with this award.





Top to bottom: Annual Award Winners Tom Dauber, Virginia Stouffer, Kevin Cincotta, and Eleanor Bassett accept their awards from SCEA President, Paul Marston

For Contributions in the Field of Management — Tom Dauber

Tom Dauber is Applied Economic Analysis capability lead at Booz Allen Hamilton, who is dedicated to fostering the professional development of his staff. Upon joining Booz Allen in 2008, Tom began an effort to increase the certification of Booz Allen employees; he created a training boot camp to help employees hone their skills in all areas of cost estimating/analysis. As a direct result of his efforts, Booz Allen now has 131 certified staff members (and growing). Tom continually encourages his employees to write professional papers and develop training presentations, and this support of research has helped bolster the program offerings at SCEA/ISPA Conferences.

For Technical Achievement — Virginia Stouffer

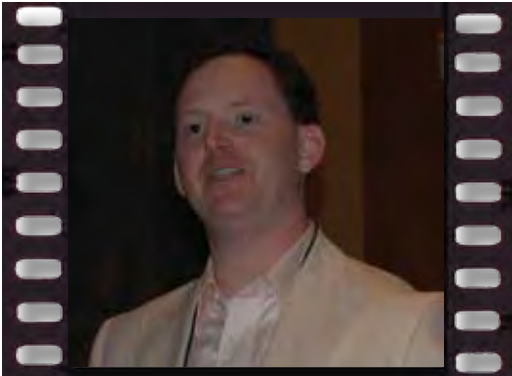
Virginia Stouffer is Program Manager/Senior Fellow at Logistics Management Institute (LMI). She is known as a leading source of information for past cost performances at LMI and publishes cost estimating relationships and cost factors from her past work on the LMI Cost analysis knowledge portal. She mentors and coaches other analysts, and assists their estimates by researching and providing missing elements, then documents the element (source, restrictions, etc) in the LCOST portal. She has also assisted in developing certification classes for LMI employees, raising the awareness of best practices in the field and providing resources to all LMI employees who practice cost analysis.

For Contributions in the Field of Education — Kevin Cincotta

Kevin Cincotta is Technical Officer at Technomics, Inc. and SCEA Training Chair. At Technomics, he leads the Technomics Training Institute, provides technical advice and guidance to project teams, mentors, and facilitates collaboration between technical project teams. Kevin has acted as Conference Training Co-Chair in 2011 and 2012, helping to plan and coordinate 36-42 training sessions. He has presented numerous training sessions at SCEA/ISPA Conferences, and he currently supports Defense Acquisition University (DAU) in reviewing/modifying courses in their cost estimating curriculum.

For Service to the Society — Eleanor Bassett

Eleanor (Ellie) Bassett served on the SCEA New England Chapter Board for over 10 years, as Chapter Officer at Large, Membership Chair, Treasurer, and finally President. The SCEA National Board firmly believes that SCEA's success is dependent on active chapters and hands-on leaders, and Ellie has helped make the New England Chapter one of the most successful and largest chapters in SCEA. Ellie has helped increase chapter membership, planned regular member meetings with sought-after speakers, assisted in planning a mini PDI (Professional Development Institute) with ASMC, and held a Chapter Cost Workshop (with another in the works), and helped implement training and study groups for chapter members looking to take the SCEA certification exam.



Best Paper Awards

*By Andrew Drennon,
2012 Best Paper Chair*

The submissions continue to grow! The number of papers considered for this year's Best Paper award was the highest ever, with a total of 98 papers reviewed. These papers were divided into eight tracks: Parametrics, Risk, Management, Methods & Models 1, Methods & Models 2, Software/Hardware, EVM and Life Cycle Cost. The task of selecting the winning papers was taken on by a dedicated group of volunteers; many have reviewed papers for more than one SCEA conference:

Parametrics

Stacy Dean
Tim Anderson
Steve Green
Bob Fairbairn

Management

Eric Gabrielson
Steve Oxman
Antonio Ortiz
Paolo Ponzio
Mike Ross

Methods & Models 2

George Culver
Jeffrey Jaenicke
Peter Meisl

EVM

Greg Hogan
Douglas Brown
Roy Smoker

Risk

David Peeler
Lyle Davis
Jairus Hihn

Methods & Models 1

Walt Bednarski
Guenever Aldrich
Richard Aldrich
Dawn Bozulich
Leigh Rosenberg
Bob Hunt

Software/Hardware

Nathalene Armstrong
Barbara Stone-Towns
Dale Shermon

Life Cycle Cost

Savita Choudhry
Lew Fichter
DeWayne Allen
Chris Dalton



Mann



Nehring

The Best Paper Committee used the scoring system in place the past few years, with minor changes. Each judge scores their assigned papers in four categories: 1) technical content (40%), 2) creativity (20%), 3) application to our profession (20%), and 4) Overall quality and style (20%). The scores are weighted and then aggregated to determine the overall score for each paper, with an average score based on the judges' composite score. The highest scoring paper wins each track. Volunteers from each track then decided the Conference Best Paper from the Track Winners using the same judging system. Judging so many papers is a time intensive task, so I would like extend my sincere thanks to all the judges for their service to the society, and the profession as a whole.

And now, after all that judging, here are the winners!

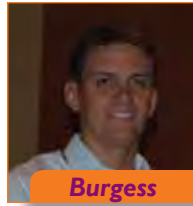
Best Overall Paper, 2012 SCEA Conference:

Robert Nehring, Katharine Mann, and Robert Jones (Methods & Models 1): *Galaxy Charts: The 1,000-Light-Year View of the Data*

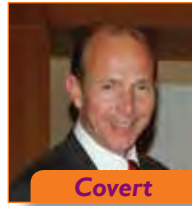
2012 SCEA/ISPA Conference: Best Paper Awards



Braxton



Burgess



Covert



Flynn



Gillespie



Hamilton



Jasnoff



Lee



Thompson



Wright

Track Winners:

Ray Covert and Noah Wright (Parametrics): *Estimating Relationship Development Spreadsheet and Unit-as-an-Independent Variable Regressions*

Brian Flynn, Peter Braxton, Paul Garvey, and Richard Lee (Risk): *Enhanced Scenario-Based Method for Cost Risk Analysis: Theory, Application, and Implementation*

Erik Burgess (Management Track): *Modeling R&D Budget Profiles*

Simon Dekker (EVM): *Accepted Standards and Emerging Trends in Over Target Baseline (OTB) Contracts*

F. Gurney Thompson III and Robert Koury (Life Cycle Cost): *Designing a Conceptual Framework for Estimation and Analysis of Total Ownership Cost*

Darrell Hamilton and Brian Gillespie (Software/Hardware): *A Closed-Form Solution for the Production-Break Retrograde Method*

Zachary Jasnoff (Methods & Models 2): *Will-Cost and Should-Cost Management: It's Not Business As Usual*

Congratulations to the winners, and to all the presenters for their contributions to the success of the conference. The winning papers can be viewed at <https://www.sceaonline.org/awards/bestpaper.cfm>



Left to right: Training chairs, Training Co-Chairs Brian Welsh and Kevin Cincotta, and SCEA President Paul Marston, Program Co-Chair Mike Thompson, and Conference Chair Bill Haseltine

Exhibitors



PLAN NOW FOR...

IPM 2012

24th Annual International
Integrated Program Management Conference
October 29–31, 2012

Bethesda North Marriott Hotel &
Conference Center • Bethesda, MD

Look for more information on www.mycpm.org

The premier conference on Earned Value Management

Setting the Baseline

Learn from...

- Special Guest Speakers
- Professional Education Training Seminars
- Tools Track Presentations
- Topical Workshops
- Practice Symposia

Socialize and network at...

- Newcomers' Orientation
- Speakers-only Reception
- All-attendee Reception

For more information...

Gaile Argiro • Gaile.Argiro@mycpm.org
703.370.7885 • fax 703.370.1757
www.mycpm.org

Erin Whittaker • erin@sceaonline.org
703.938.5090 • fax 703.938.5091
www.sceaonline.org

The College of Performance Management is a
PMI Registered Education Provider



The PMP, PMI and R.E.P., and the Registered
Education Provider logo are Registered marks
of the Project Management Institute, Inc.

Hotel Reservations:

Contact 703-938-5090 for assistance
making reservations at the discounted
hotel rate.

Conference Rate:

\$925

Sponsored by...



CALL FOR PAPERS

2013 ISPA/SCEA JOINT ANNUAL CONFERENCE & TRAINING WORKSHOP

NEW ORLEANS, LA ♦ 18 - 21 JUNE 2013



Submit your abstract by 11 January 2013

The Conference Committee will be accepting abstracts until 11 January 2013 for the 2013 ISPA/SCEA Conference in New Orleans, LA. This conference will be a great opportunity to demonstrate your expertise and contribute to the advancement of the profession, and we expect a high number of quality submissions, so be sure to submit your abstract early!

The 2013 Joint Conference Programs Committee would like to present a wide variety of cost estimating and cost analysis topics, which will fall into the following Tracks:

- Hardware/Software Estimating
- Parametrics
- Risk Analysis
- Management
- Methods & Models
- Earned Value Management
- Life Cycle Cost Analysis

DEADLINES:

- Abstract and Biography submission deadline - 11 January 2013
- Author Notification - 11 February 2013
- Paper/presentation and release form submission - 29 March 2013

SUBMISSION PROCESS:

To upload materials, select the "Call for Papers" link under the Calendar menu on the SCEA website (www.sceaonline.org). For your abstract submission, you are encouraged to choose a desired Track designation for your paper.

FOR MORE INFORMATION. . .

Contact Mel Etheridge, Programs Chair (metheridge@mcricri.com), or Andrew Drennon, Deputy Programs Chair (adrennon@cobec.com).





2013 ISPA/SCEA JOINT ANNUAL CONFERENCE & TRAINING WORKSHOP



NEW ORLEANS, LA ♦ 18 - 21 JUNE 2013



DON'T MISS OUT ON THIS OPPORTUNITY TO . . .



LEARN FROM THE BEST

- Gain knowledge you can take back to your employer and customers. Stay up-to-date on best practices and advancements in the field.
- Attend comprehensive training to expand your skill set. 4 Training Tracks will feature over 40 sessions based on the Cost Estimating Body of Knowledge (CEBoK®) and the *Parametric Estimating Handbook (PEH)*.
- Certification Study Sessions will give attendees the chance to work together to prepare for the CCEA® exam, held Saturday, June 22.
- Professional papers, organized into distinctive tracks for all interests, will feature lessons learned from leaders in the field.
- Industry experts will give keynote speeches that will inspire attendees and spark discussion for the rest of the week.



NETWORK WITH PEERS

- Meet with vendors on our exhibit floor.
- Attend Exhibitor Sessions and learn about software, products, and tools designed to make your job easier.
- Mingle with colleagues and exhibitors at the Tuesday Attendee Reception and other after-hours events.



MEET US IN NOLA!

- The Conference hotel will be the Sheraton New Orleans, with a discounted room rate of \$182.
- Come to learn, stay for the world-class nightlife, history, arts, and culture that await you just steps from the hotel door.



STAY TUNED!

- The Call for Papers will be sent out in August 2012
- Registration will open in January 2013
- Visit www.sceaonline.org or www.ispa-cost.org for more details

Baltimore Chapter News

by **Tucker Moore**, Chapter President

The Baltimore Chapter has experienced an exciting reinvigoration over the past several months. On March 26th, the chapter hosted a luncheon event at the Booz Allen Hamilton office in Linthicum, MD where a team from Booz Allen presented the Real Time Analytics suite of tools to an in-person audience of about 15 people and a virtual audience (via the free Defense Connect Online system) of around 50 SCEA and non-SCEA members across the country. This was an exciting experiment for our chapter as we have been seeking new, creative ways to reach our membership and other interested chapters.

On July 23rd, we were fortunate enough to have **Katie Geier** from the Department of Homeland Security's newly formed Cost Estimating and Analysis Center of Excellence present her recent experience in forming this team at DHS. Ms. Geier also brought her support staff from Technomics, and the team presented

the various tools and work breakdown structures that has made the standup of the CoE a success. We had an in-person audience of about 10 people, but we were astounded by our virtual audience (via the National Office's new web conferencing service) of around 80 SCEA and non-SCEA members from all over the world. This included one person in Europe and one person in Australia. A special thanks goes to the Hampton Roads chapter and president **Daniel Mask** for supporting this presentation as a joint effort.

The Baltimore chapter is excited to continue this trend by presenting quarterly luncheon presentations, and we have received resounding positive feedback on the past two presentations. Another announcement regarding the next speaker and the location will be sent later in September, but the tentative location is near Aberdeen Proving Grounds in northern Maryland. We look forward to any new participants in our luncheons, and we certainly appreciate the presenters and member feedback thus far.

Canberra, Australia Chapter News

by **Andrew Nicholls**, Chapter President

The Canberra SCEA Chapter was officially incorporated as a non-profit organisation on the 15th of March, 2011. Its purpose is to support the

cost estimating and analysis community within Government, Academia and Industry of Australia.

We have been able to meet bi-monthly at various venues around Canberra and our meetings have focused on two types of activities. We have been developing a strategy to build our presence within Canberra and Australia through Building Awareness, Building People In, and Building People Up. Most importantly we have been putting our strategy into action.

Building Awareness

We are using our existing networks to support growth in the Chapter. Additionally, we will have a presence at an International Defence Costing Conference in Victoria in October.

Building People In

We are also focused on building our network and our community. That is, we are aiming to give people a sense of belonging. We have moved to meet at sites hosted via private sector members of the organisation and changed our meeting times to better suit our members. At our next meeting we will adjourn for dinner at a local Chinese restaurant to give chapter members a better opportunity to get to know each other on a more personal level.

Building Awareness	Building In	Building Up
Creating Awareness of SCEA in the Public and Private Sectors.	Creating a welcoming and professional organization that people want to join.	Providing an environment that promises and encourages our growth as professional cost estimators.

Chapter Updates

Building People Up

The final component of our strategy is focused on providing opportunities to improve our skills and network with our peers. We are exploring how to better improve our approaches to mentoring and provide greater awareness of training opportunities. At our 13 September meeting, one of our members will walk the Chapter through the certification process. We have also had an opportunity to hear from members on their own challenges in costing. These have included projects

each worth billions of dollars:

1. The challenges of cost estimating Australia's future submarine.
2. Managing and modelling cost, accounting, finance and economic factors for the High Speed Railway project.

Finally, we are looking to encourage all members to contribute to the growth and value of our Chapter through participation in a number of short projects tied to our strategy.

Northwest/Washington Chapter News

by Julie Wallace

The SCEA NW/Washington Chapter has been busy! During the past six months SCEA NW has sponsored two member events, ran our annual Mariner's Baseball Fundraiser, held our semi-annual CeBoK® training course, and certified five new members!

Red Hook Brewery Speaker Event / Thursday April 26

What a fun night this was! The evening began with a tour of the brewery that started in our own private room located adjacent to the fermentation cellar. Our tour guide enlightened us with tidbits of Redhook trivia, quenched our thirst with multiple tastings of various Redhook beer offerings fresh from the tap, and took us on a walking tour of the factory. On our return, we found our private room had been turned into a banquet hall. After enjoying fine complimentary food and drink, our guest speaker, **Rodger Witte**, Director of SM Finance at Boeing, advised us Estimators and PFAs on being "Value Integrators" in doing our jobs. The evening ended with a raffle; multiple lucky numbers were drawn resulting in many of us going home with prizes. Congratulations to all raffle prize winners! This was our most highly attended event yet, with attendance being near 40. Smiles and good times were had by all.

North End Social Event / Thursday June 21

We had a great turn out at this summer's North End Social Event, where

we had a happy hour at Mukilteo Lodge. Approximately 25 SCEA NW/Washington Chapter members enjoyed snacks and drinks, while networking and visiting coworkers from different programs and jobs. While we received good feedback from our members for this event, we are hoping to see many more and new faces at upcoming events!

Mariners Game Fundraising

Each year, SCEA NW/Washington Chapter mans a beverage and snack stand at Safeco Field during the Mariner's home games, serving drinks and snacks to hungry and thirsty spectators. This is a fun way to meet new people and network with others in the Estimating field while



Red Hook Brewery Speaker Event



helping SCEA NW Chapter bring in funds needed to provide our members with meaningful events and activities. This year we were able to provide our volunteers with a monthly raffle, where all volunteers for the month have a number of chances to win movie tickets or Starbucks gift cards, based on their involvement in the fundraiser for that month. We also had Mariners tickets donated to us so that all of our volunteers could attend a game together as spectators, rather than servers. Thanks to all of our volunteers for their involvement, dedication, and support!

Certification

The SCEA NW/Washington Chapter holds two Certification Preparation Courses each year in the Puget Sound region. After completion of each course, students are provided the opportunity to sit for the certification exam.

This year's spring session had 17 students in total; 13 of whom went on to take the exam on June 8. Of those, 5 obtained the designation of Certified Cost Estimator/Analyst and 1 obtained the designation of Professional Cost Estimator/Analyst.

Congratulations to **Randall Aldrich, Sarah Cabezas, Kerry Kou, Cristian Petrini, and Chaz Wichman** for obtaining your CCEA® Certification! Congratulation to **Diana Archambault** for obtaining your PCEA® Certification!

Our Fall Session kicked-off on August 21 and will run through October 16. The test date for this session is scheduled for November 17th.

Hampton Roads Chapter News

by Dan Mask, Chapter Past President

The Hampton Roads Chapter continues to support local Foodbanks as part of our community service.

As domestic discretionary spending, including emergency food services, continues to get squeezed, supporting our local Foodbanks is as important as ever. Severe shortages of food supplies are anticipated into the holiday season. During last year, the South-eastern Virginia and Virginia Peninsula Foodbanks responded to 1,209,484 individual requests for emergency food assistance. This represented a 23% increase over the prior year. To get involved, we have asked our membership to watch for our chapter community service announcements, or contact one of our officers or visit www.HRfoodbank. We hope to make this initiative an ongoing central piece of our chapter focus and a contribution to our local area.



Mariners Game Fundraising



St. Louis Chapter News

by Michael Brozyna, Chapter President

The St. Louis chapter is developing membership opportunities at Scott Air Force Base, Illinois. The center of gravity remains near the Boeing Defense Space and Security facility in St. Louis. The two locations are about 35 miles apart, making joint functions sporty. Several webex meetings have been held and the Scott AFB group has had a few "lunch and learn" sessions. In the photo below, the newly elected Chapter President and several members pose with the unofficial chapter mascot, the Sainted Giant Grouper. The SGG has over 337K miles on it. From left to right, they are Parl Hummel, Michael Brozyna, the SGG, Bill Lueker, Jill Conlon, and Mike Conlon.



Left to right: Parl Hummel, Michael Brozyna, the SGG, Bill Lueker, Jill Conlon, and Mike Conlon

New England Chapter News

by Kelly Kane, Chapter Vice President

The New England SCEA Chapter had a fun and eventful spring! In March we held a free pizza luncheon inviting all of our members to spend some time together and learn about upcoming planned events, our financial status, Chapter awards, and to kick off our annual CEBoK® training sessions.

Speaking of which, the New England Chapter's CEBoK training program has been running all spring and summer for our members. Thank you to **Paul Ostrowski, Brian Fersch, and Vic Modic** who have proctored exams for our Chapter members this past year. Congratulations go to **Jessica Karnis, Rich Allen, Vic Modic** and **Diane Butler** who all took and passed both parts of the certification exam within the past year! Also many thanks go to **Eric Timinski** and **Richard Beavers** for organizing the training program for our membership; this is truly a monumental task. As a result of the tremendous efforts of our volunteer instructors: **Eric Timinski, Jon Lister, Rich Allen, Jessica Karnis, Toyya Pujol, Mike Mahoney, Alex Sherman-Ash, Joe Dean, Marge Evriviades, and Barbara Meyers**, we held another certification exam for our membership in September.

In June we hosted **Dr. Wilson Rosa, AFCAA**, and **Mr. Alf Smith**, Tecolote Research Inc, who presented "Real Data, Real Uncertainty" to our membership. This was an overview of an AFCAA sponsored study to fit

uncertainty distributions to common methods and inputs for a variety of commodities.

We also held our second annual cost workshop on May 15th. Another success by all accounts, the Workshop was held at the Conference Center on Hanscom AFB and this year included 3 tracks as well as guest speaker **Mr. Harvey Leonard**, the Chief Meteorologist at WCVB-TV Channel 5. There were 10 speakers in total including a lunchtime presentation from **Lt. Colleen Leonard** who illustrated her recent deployment to Oman. The day went flawlessly, although there were plenty of jokes about which terrorists might be caught on 15 May. (Last year we had to contend with security complications since Osama Bin Laden was captured the night prior to our Workshop!) The morning session was led off by **Glen Bassett** of Raytheon Co. giving a presentation on the Task Force Dagger project (a Wounded Warrior offshoot), a project that he supports aiding wounded veterans, through SCUBA. **Joshua Patapow** and **Eric Timinski**, both of Tecolote Research, presented "COTS Estimating Metrics for Increased Cost Accuracy". Next was Lockheed Martin's **Rick Beavers** presenting "How to Effectively Prepare for the CCEA Exam" as well as **Alf Smith** of Tecolote Research with "ACEIT, Joint Analysis of Cost & schedule (JACS) tool". A short break was followed by **Michael Mahoney** of Lockheed Martin presenting "Learning Curve Analysis with EZ-Quant" and **Rick Cockley**, HQ ESC, describing his experience with "Risk Analysis as a Decision Making Tool for PMs". **Brian Fersch**, HQ ESC, shared "The Answer is 5: Surprising Trends in Small Program Costs & Schedule" and with his second presentation of the day, Alf Smith brought "Functional Correlation – Impact on Risk Analysis". This year with the help of **Jessica Karnis** and **Barbara Meyers**, we were also able to add a training track during the workshop allowing members to participate in EVM



Guest speaker Mr. Harvey Leonard, the Chief Meteorologist at WCVB-TV Channel 5, speaks at the second annual cost workshop on May 15.



A training track during the workshop allowed members to participate in EVM and CCEA certification preparation.

and CCEA® certification preparation.

We are very happy to say that the Workshop was a huge success. Countless thanks go to the many speakers who volunteered their time and expansive knowledge for this event and the volunteers who made it happen!

We are also exceptionally pleased to be able to announce our Annual Chapter Awards winners! **Brian Fersch** received the Management award, David Odesser received the Technical Achievement award, and **Ellie Bassett** received the Service to Society award. All Chapter award recipients were sent on by the BOD for nomination at the national level and for the second year in a row one of our own was selected as a National Award winner as well. **Ellie Bassett** was the recipient of the National level award for Service to Society! We truly enjoy continuing to recognize our chapter members' remarkable achievements and talents. Congratulations to all!

We have a new BOD member as well! Due to the PCS of **LtCol David Peeler** our Board had a vacancy we were in need of filling. After discussion, and thankfully an acceptance, we have added **Jessica Karnis** to our current BOD for the remainder of the term! Welcome to the team, Jessica!

We are planning several activities in the coming months. In addition to monthly luncheons we are planning a social for the membership near the holidays and another cost workshop tentatively scheduled for next May. Anyone looking for an excuse to travel to New England as a luncheon or workshop speaker should contact our BoD as we're always looking to fill our list of topics. We are also excited to join with other chapters this year in the new webinar capability being provided by National.

We're looking forward to a full fall schedule and the New England Chapter winter social!

Greater Alabama Chapter News

by **Teresa Brown, Chapter President**

The Greater Alabama Chapter had an outstanding 2011 – 2012 year under the leadership of our Past President **Ralph Mitchell**! Currently, we have 95 members representing an array of organizations including DoD, NASA, DAU and a number of private companies. Of our members, 42 are SCEA certified.

Leadership Update

Our chapters elected new officers this past spring. The officers for the 2012 – 2013 year will be:

President – **Teresa Brown**

VP – **Stephanie Lewis**

Treasurer – **Elizabeth Graham**

Publicity – **Melissa Coker**

Administration – **Norman Dean**

Membership – **Stephen Newton**

Certification – **Sam Cooke**

Government Education – **Christian Smart**

Industry Education – **Fred Davey**

Past President – **Ralph Mitchell**

Philanthropy and Community Service

A goal of our chapter is to give back to the community. Our chapter has given donations to a number of organizations throughout the years. As a spring philanthropy project we collected nonperishable and canned goods to donate to the

Food Bank of North Alabama.

Our chapter also established a scholarship fund this past year. This scholarship will be awarded to local students who are interested in careers in cost estimating and analysis.

Luncheons and Training

Our monthly meetings for the 2012-2013 year began with a luncheon in September. We are looking forward to a variety of interesting and informative speakers throughout the year. We also plan to have a seminar and a workshop to benefit the cost community, in addition to our spring training sessions.

Training and Certification Preparation

The Greater Alabama Chapter is fortunate to have a faculty of instructors who provide cost analysis training each spring. These training sessions are free of charge and open to the community, but are designed for those individuals that are preparing to take the CCEA® or PCEA® examinations.

Currently, the training sessions are broken into five sessions: Terminology and Concepts, Statistics and Economics, Managerial Accounting, Contracts, and Learning Curve Analysis. Plans are underway to add two additional sessions to the 2013 training to possible cover the areas of risk and inflation.

Our training this past spring was very successful! There were three individuals who earned the CCEA® and one who earned the PCEA®!

We are looking forward to another great year in the Greater Alabama Chapter!!

Chapter Updates

Washington Metro Chapter News

by **Michael Yanavitch, Chapter Secretary**

The chapter holds board meetings on the first Monday of each month from 12:00-1:00 PM. All are welcome to attend. Please contact a board member if you are interested in attending.

Training

The Washington Chapter's training program has continued to offer members the opportunity to expand their knowledge and skills in the area of cost estimating. A training session was offered last March that covered critical exam topics including contracts pricing, earned value management, and software estimating. A special thank you goes out to **Kevin Cincotta** (Technomics) for leading the training.

Monthly Presentations

The chapter continues to offer a monthly speaker series featuring individuals who work in the Washington Metro area.

January 2012 — "Data Normalization and Inflation", presented by **Angela Camp** and **Brian Welsh** of Technomics

April 2012 — "An Elicitation Method to Generate Minimum-Bias Probability Distributions", presented by **Marc Greenburg**

May 2012 — **Steven Oxman** made a presentation entitled "Different Forms of Software and their impact on Cost Analysis"

June 2012 — "Understatement of Risk and Uncertainty by Subject Matter Experts", presented by **Peter Braxton**

August 2012 — **Peter Braxton** returned for an encore presentation entitled "Probability

Distributions for Risk Analysis"

SCEA Conference-2012

The Washington Chapter was well represented at the 2012 SCEA/ISPA Joint Annual Conference & Training Workshop, held in Orlando, FL. Chapter members left the conference with a variety of Best Paper Awards and SCEA Annual Awards. Congratulations to the following chapter members:

- **Robert Nehring, Kammy Mann, and Robert Jones**, who all work at Technomics, received recognition for the Best Paper in the Methods and Modules I Track. Their paper is titled "Galaxy Charts: The 1,000-Light-Year View of the Data."
- **Brian Flynn, Peter Braxton, and Richard Lee**, of Technomics, along with **Paul Garvey**, wrote a paper entitled "Enhanced Scenario-Based Method for Cost Risk Analysis: Theory, Application, and Implementation" that was recognized as the Best Paper in the Risk Track.
- **Erik Burgess** of Burgess Consulting, won Best Paper in the Management Track for his paper entitled "Modeling R&D Budget Profiles."
- **Zachary Jasnoff**, who works for PRICE Systems, received recognition for authoring a paper entitled "Will-Cost and Should-Cost Management." His paper received recognition as the Best Paper in the Methods and Models 2 Track.

Interested in Getting Involved?

Interested in attending or presenting at our monthly luncheons, attending our monthly Board Of Directors Meetings, or need more information on the Chapter? Check out our website at www.washingtonscea.com.

San Diego Chapter News

by **Lauren Queen Ramirez, Chapter President**

This past spring the San Diego chapter invited **Mr. Mike Thompson**, SCEA Chaptering and Membership Chairman, to come out, share our beautiful San Diego weather, and give his unique and informative "Cost Price Journey through Winemaking" presentation at our meeting held at Northrop Grumman. Our summer meeting, which was held at Booz Allen Hamilton, included a Navy SPAWAR Cost Analyst presenting an overview on their OSCAM model entitled "A Methodology for Estimating and Modeling Operating and Sustainment Costs".

JSCEA Update



JSCEA members share photos from their trip to Mt. Fuji

Integrating Cost, Schedule, and Risk

Providing Actionable Analysis

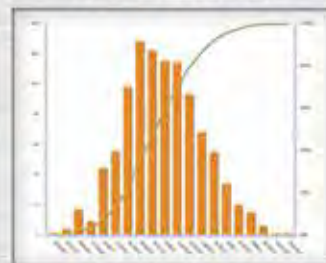
Helping Programs Address Today's Challenging Budget Environment

Ready for what's next. Polaris™ is a revolutionary new tool for integrating cost estimates, schedules, and risks into a single analytical model. Polaris uses a cutting-edge simulation algorithm to iterate these models thousands of times in less than a second to produce a range of potential cost and schedule outcomes. Analysis from Polaris allows program and portfolio managers to trade-off scope, requirements, and performance to achieve their mission within available resources, all without ever leaving the meeting room. Whether you're managing today's issues or looking beyond the horizon, count on us to help you be ready for what's next.

Fiscal Year Phasing



**Risk Adjusted
Cost and Schedule**



**Cost, Schedule, and Risk
Sensitivity Analysis**

For more information on Polaris and the RealTime Analytics toolkit, please visit www.boozallen.com/rta. Trial licenses of the Polaris tool are available for a limited time – if interested, please email rta@bah.com.

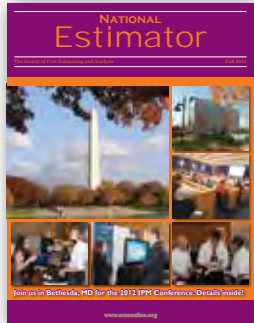
Ready for what's next. www.boozallen.com/analytics

Booz | Allen | Hamilton
delivering results that endure



The Society of Cost Estimating and Analysis

SCEA / ISPA Joint Office
8221 Old Courthouse Road, Suite 106
Vienna, VA 22182
703.938.5090
Fax 703.938.5091
scea@sceaonline.org
www.sceaonline.org



TASC.COM



A MATTER OF PERSPECTIVE

**To solve big problems you need to see the big picture.
You also need an eye for detail.**

At TASC, we deliver the strategic vision and engineering know how needed to develop next generation solutions that balance performance, affordability and resiliency in meeting mission requirements. Our integrated, fact-based analytics provide the quantitative information needed to mitigate risk, achieve compliance and successfully navigate "affordability."

When Credibility Counts™

TASC can help you understand the probable cost, risk and performance outcome of decisions. Our services—from cost analysis, cost and risk research, and risk-adjusted life-cycle cost estimates to technical baseline development, earned value management and should-cost analysis—help ensure you have the right lineup to meet mission challenges in a budget-constrained environment.

TASC
INSIGHT APPLIED