

# Report on the 33rd Annual Engineering and Construction Contracting Conference

On Thursday and Friday, September 6 and 7th, nearly 350 participants attended the 33rd Annual Engineering and Construction Contracting Conference held at The Phoenician in Scottsdale, Arizona. The theme of the conference was

Driving the Bottom Line: Managing Risk & Improving Financial Results.

Organizer of the conference was the Engineering and Construction Division of the American Institute of Chemical Engineers. The conference is held annually and is recognized globally for the innovative thinking of executive and management from the ranks of Owners, Contractors and Suppliers. The format affords an opportunity to discuss currents and issues.

The first day started with a keynote address by Jos Antonio Ceballos, the Director of Operations for Petroleos Mexicanos. Mr. Ceballos discussed some of the problems facing PEMEX. He was very laudatory about the nitrogen plant recently completed by ICA-Fluor Daniel for his company.

The format of the program contained both Panel Discussions held for the entire group, and also Structured Workshops that allowed the participants to break into smaller groups to actively engage in talking about those subjects of most interest to them. An important feature of the Conference was the excellent support of the audio-visual team. In addition, a CD containing the presentation material for the entire conference was made available.

The first Panel Discussion was conducted by Craig Harting of Honeywell, Inc. and covered the subject of Can Owner and Contractor Business Models and Behaviors by Aligned?

Three panelists, one representative from an owner, a contractor and a consultant, gave their viewpoints and then the floor was opened for questions. The objective was to find a way to improve the value for both the owner and contractor. A discussion of Chevron-Honeywell's Advanced Management Program concentrating on shared risks over a long term [ten-year] program was outlined using a concept of co-project managers. A mental attitude of risk management was summarized with a quotation from Enron stating that "a rattlesnake may bite us, but we knew he was there and how much it might hurt us."

The first of the Workshops was then held with the participants having been assigned to a topic of their choice. Topics were "Renewable Fuels", "Sustainable Industrial Development", "Making the Transition to a Design-Build Delivery System for Capital Projects", and "Economic Future of the Process Industry". Late registrants stayed in the main hall and continued with discussions on the "Owner-Contractor Business Models."

The luncheon address was given by Dave Lefkowitz of The Canyon Group was very light-hearted and was one of the highlights of the Conference. Lefkowitz took the approach that the ECC community, being composed primarily of engineers, suffered from a severe lack of humor. He then did his very best to prove himself wrong as the entire talk was interrupted with laughter.

After lunch, John Petchonka of Kvaerner E&C led a panel discussing " The Next Generation Work Force: How Can We Improve Attraction, Retention, and Development of our Future Leaders?"

" The panelists focused on Gen-X workers [those born between 1953 and 1977. The concept of "just in time" loyalty was broached and the characteristics of the "employer of choice" were presented. A recurring theme was the expectation of rapid professional growth, and that the Gen-Xers were willing to take significant risk and to make personal sacrifices to achieve that growth.

Afternoon workshops covered the following topics: "Renewable Fuels", "Future Impact of B2B on the E&C Industry", and "Making the Transition to a Design-Build Delivery System for Capital Projects", and "Economic Future of the Process Industry". Late registrants stayed in the main hall and continued with discussions on the "Next Generation Workforce."

On Thursday evening, a cocktail reception and dinner dance was held. During the evening Lou Cabano, past chair of the ECC and President of Pathfinders, LLC., presented Ed Mellow, founder and President of Independent Project Analysis, Inc., with the ECC Division Award.

Friday's morning's keynote address was presented by Luigi Patron, Chairman of Snamprogetti. The panel discussion Using Integrated E-Tools to Drive Business Outcomes was then conducted by Tom Doran of the Intergraph Corporation with three panelists giving their visions of how e-tools can impact work processes and profitability. The workshop discussion was led by Joe Scott of BP. He was joined by R. Westney of Westney Project Services, R. Jordan of Reliant Energy and H. Roketto of KB&B who presented strategies and processes that can effectively reduce costs and cycle time for small projects.

The formal part of the conference concluded with a summary of key issues, discussions, and punchlines from the structured and post panel workshops. Informal networking and golf and tennis were featured Friday afternoon and Saturday.

Additional details about the Conference may be accessed on the AIChE web site at <http://www.aiche.org/ecc/program.htm>