



**MONTREAL**

**COST MANAGEMENT AND COST ENGINEERING**

**AAACE International – MONTREAL SECTION**

**Thursday, February 22, 2007**

**METHOD FOR ESTABLISHMENT OF ESCALATION RATES FOR CONSTRUCTION PROJECTS**

**Conférencier : Mario Provencher, chef Proposition estimation, Hydro-Québec**

Escalation is a major factor in estimating capital cost in today's volatile marketplace. This presentation will describe the process established at Hydro-Quebec for establishing the rate of inflation for capital cost estimates demonstrating how the utilization of inflation rates adapted to a specific commodity assists in stabilizing the costs of our projects during their life cycle.

Key points during this presentation will include the following:

- History of the approach
- Expert consultation
- Methodology for establishment of inflation rates
  - By product
  - Components of the models
  - Market factors
- Validation of the models
- Update of the models

The presentation will be followed by an open discussion on methods used by your companies for the calculation of cost estimate escalation.

**Thursday, February 22, 2007    Wine and cheese at 5:30 pm    Meeting at 6:00 pm**

**Location: SNC-LAVALIN – 455 René Lévesque West, Room 304A – Montreal**

**The presentation will be in French – Question period in French and English**

**Cost:    AAACEI and PMI Members: \$ 20    Students: \$ 10    Non-Members: \$ 25**

**PAYMENT BY CASH OR CHEQUE MADE TO THE ORDER OF AAACEI MONTREAL. THANKS.**

**Please confirm your presence by Friday, February 16, 2007  
to Celina Ma**

**by fax: (514) 937-0096**

**by e-mail: mac@tardifmurray.com**

Your Name and Company: \_\_\_\_\_

AAACEI Member     Student Member     PMI Member     Non-Member

Organization (company or other)  
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