

Ground Estimating from the Contractor Perspective

Steve Cohen 31 Mar 04

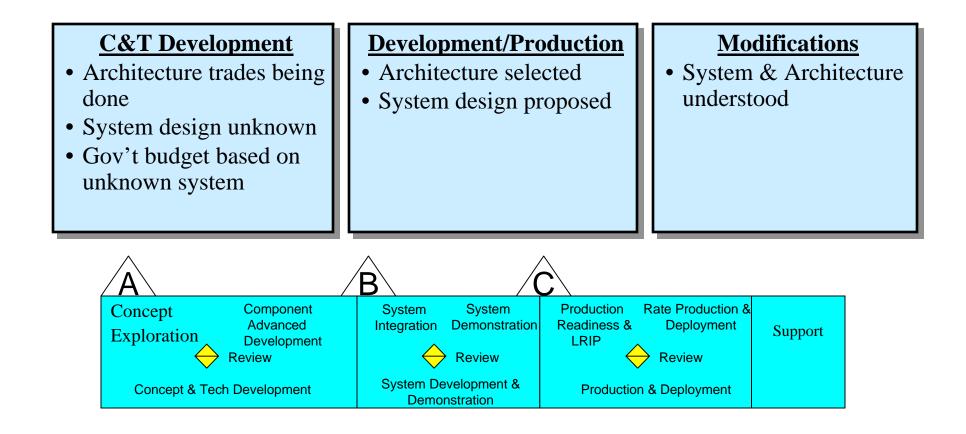
Contractor Estimates/Proposals



- Engineering /Rough Order Magnitude (ROM)
 - Estimate not Certified
 - Most likely not priced using Forward Pricing Rates (FPR)
 - Uses Engineering Judgment, Analogous or Parametric approaches mostly
 - Approval by Management may be required
- Not-To-Exceed (NTE) or Ceiling ROM (CROM)
 - Estimate not Certified
 - Disclosed Contingency Factor added to cover missing scope (Not MR)
 - May use any reasonable estimating methodology depending on available information
 - Approval by Management required
 - Commitment by Company
 - For Cost Plus contracts commitment applies to Fee only
- Engineering Change Proposals (ECP)/Contract Change Proposals (CCP)
 - Certified if required
 - Uses FPR and approved Cost Estimating Relationships (CER)
 - Materials priced using supplier proposals and recent history if possible adjusted for desktop analyses & Decrements
 - Approval by Management required
 - Subject to DCAA and internal Audit

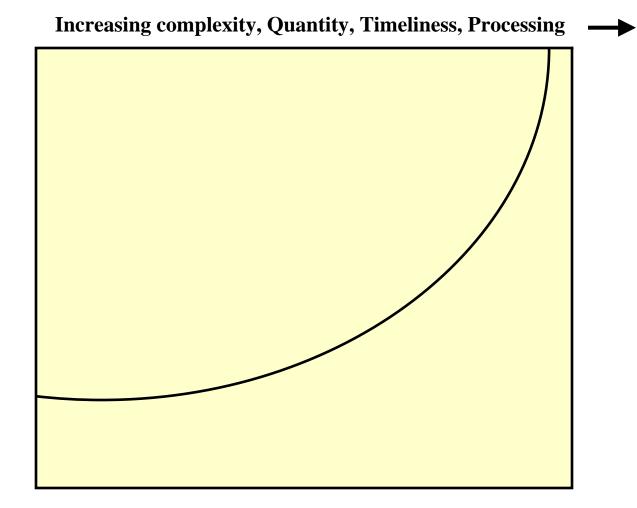
Phases of the Program





Ground Station Development Costs





Cost

Station KeepingSimple TaskingComplex TaskingHealth & StatusLittle Data ProcSignificant Data Processing

Estimating



- Hardware cost usually a buildup of Material
- Software estimated based on Lines Of Code (LOC) or Function points and entered into parametric model
- System Engineering, Integration & Test, and Program Management (SEIT/PM)
 - Direct Detail Estimate by hours, material, STE
 - CER
- Items that can use added focus
 - Simulators and Stimulators
 - Ground Space Data Requirements/Timing
 - S/W maintenance during development
 - Miscellaneous HW
 - Changing Security Requirements