



DEFENSE ACQUISITION UNIVERSITY

CON 170 - Fundamentals of Cost and Price Analysis

111103

Course Learning/Performance Objectives followed by its enabling learning objectives on separate lines if specified.

1	Demonstrate ability to execute fundamental quantitative pricing skills.
	Use Price Indexing to make price adjustments necessary to analyze price and cost information collected over a period of time.
	Given a set of data, Analyze Data Shape, Center, Spread and Trend characteristics.
	Given a set of data calculate the Net Present Value of the given data.
	Given Market Research data calculate and identify reasonable Cost Estimating Relationships.
	Through Cost-Volume Analysis, recognize the nature of fixed, variable, semi-variable and total costs, and develop a price estimate.
	Through Cost-Volume Analysis, determine a proposed price to be rational or irrational with respect to a "buy-in" seller strategy.
	Through Cost-Volume-Profit analysis, recognize the nature of profit, revenue, contribution income, and calculate the contractor's "break even" point.
2	Given an acquisition situation, successfully distinguish various seller pricing strategies.
	Explain the unique aspects of Government contracting compared to commercial contracting.
	Explain the different market structures.
3	Describe the Truth in Negotiations Act, including its purpose in mitigating government cost risk.
	Explain appropriate conditions for requesting Certified Cost or Pricing Data.
	List the exceptions to requiring Certified Cost or Pricing Data.
	Identify the due diligence requirements for obtaining other information when certified cost and pricing data are not required.
	Identify the requirements for applying the commercial item exception for new contracts.
	Identify the requirements for applying the commercial item exception for modifications to commercial items.
	Explain the requirements for waiving the TINA.
	Explain the limitations to obtaining no cost or pricing data, and information other than cost or pricing data.
4	Identify the policies and procedures for applying the Cost Accounting Standards Board (CASB) rules and regulations to negotiated contracts and subcontracts. (FAR Part 30, DFARS Part 230 and 48 CFR 9903.3).
	Identify the general rules pertaining to Cost Accounting Standards (CAS) administration. (FAR Subpart 30.1).
	Identify the CAS program requirements. (FAR Subpart 30.2 and DFARS Subpart 230.2).
	Identify when a contract or subcontract is subject to CAS. (FAR Subpart 30.3 and 48 CFR 9903.3).
5	Identify the contract cost principles and procedures. (FAR Part 31 and DFARS Part 231).
	Identify the applicability of the cost principles and procedures to various types of contracts and subcontracts. (FAR Subpart 31.1 and DFARS Subpart 231.1).
	Identify the cost principles and procedures pertaining to contracts with commercial organizations. (FAR Subpart 31.2 and DFARS Subpart 231.2).
6	Given a contracting requirement and market research tools, recognize the essential elements of a market research report.
	Summarize the regulations and guidance regarding the purpose, policy and procedures for market research.
	Identify sources of information to find qualified sources, historical pricing data, commercial solutions, previous contracts, risks, and the requirement for certified cost or pricing data.
	Identify sources of financial information for prospective contractors.
	Given publicly available financial statements, assess a company's need for financing and cash flow.
7	Given acquisition situations, determine an appropriate contracting strategy, including the contract type and other incentives.
	Explain the policies and factors involved in selecting contract type.
	Recognize key risk elements of cost, performance, and schedule
	Describe conditions for use of the different fixed price contract types, emphasizing the geometry and enforceability of the Fixed Price Incentive Firm (FPIF) contract type.
	Given a Fixed Price Economic Price Adjustment scenario, calculate the adjusted price.



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	Describe conditions for use of the different cost reimbursement contract types, emphasizing the geometry and enforceability of the Cost Plus Incentive Fee (CPIF) contract type.
	Describe conditions for appropriate use of the following contract types: Time and Material, Level of Effort, and Labor Hour contracts.
	Given an acquisition scenario, create an appropriate contracting strategy which includes a contract type and any additional incentives.
8	Given a contracting scenario, differentiate among financing arrangements, their order of preference, and the situations for use.
	Describe the different noncommercial financing arrangements and the order of preference.
	Define Advance Payments, and describe their appropriate use for noncommercial items.
	Define Progress Payments and describe their appropriate use for noncommercial items.
	Define Performance Based Payments, and describe their appropriate use for noncommercial items.
	Describe unusual financing arrangements for noncommercial items.
	Describe the different commercial financing arrangements, including commercial advance payments, interim payments.
	Calculate the net present value of a proposed contracting strategy.
9	Accurately differentiate between price and cost analysis.
	Describe the proposal analysis process.
	Describe the concept of fair and reasonable as it pertains to proposal analysis.
	Define price analysis, cost analysis, price realism and cost realism.
	Describe the contents and purpose of the Contract Pricing Reference Guide.
	Given contracting scenarios, identify appropriate method of analysis, either price or cost
10	Pursuant to FAR 15.4, accurately differentiate the price analysis techniques.
	Explain appropriate situations for using each price analysis technique per FAR 15.404-1(b).
	Recognize situations where price indexing is an appropriate method of price analysis.
	Given a data set, calculate a price estimate through price indexing.
	Recognize situations where Cost-Volume-Profit analysis is an appropriate method of price analysis.
	Given a data set, calculate a price estimate using Cost-Volume Profit analysis.
	Evaluate an Independent Government Estimate to establish a price objective for an offeror's proposal.
11	Given a contracting scenario accurately assess price-related factors.
	Describe the price related factors.
	Given a data set, calculate the price impacts associated with price related factors.
12	Pursuant to FAR 15.4, accurately perform proposal analysis and prepare to present your findings to the SSA for contract clearance.
	Review a Procurement Requirements Package.
	Review a solicitation.
	Identify Evaluation Criteria and Methodology.
	Review Price Proposals.
	Select apparent successful offeror.
	Prepare presentation for SSA to gain contract clearance.
13	Assuming an advisory role in evaluating acquisition proposals, successfully summarize the contractor business systems that must be found compliant for the award and payment of government contracts.
	Identify the contractor's business systems
	Explain the use of the contractor's business systems
	Determine requirements for compliance for the contractor's business systems
14	Given an acquisition situation, successfully differentiate between direct and indirect costs.
	Identify and define direct costs (FAR Part 2).
	Identify and define indirect costs
	Identify the requirements of direct cost principle FAR 31.202.



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	Identify the requirements of the indirect cost principle FAR 31.203.
	Identify the relative composition of direct costs (kinds, types, fixed-variable).
	Identify the relative composition of indirect costs, including kinds, types, fixed, variable.
15	Assuming an advisory role in evaluating acquisition proposals, successfully summarize the evaluation of direct material and subcontract costs.
	Identify the requirements for submission and review of subcontractor cost or pricing data.
	Identify the requirements for cost analysis of subcontractor cost or pricing data.
	Identify alternatives for handling proprietary subcontractor cost or pricing data and cost analysis thereof.
	Identify requirement for technical evaluation to determine need for proposed types of material.
	Identify requirement for technical evaluation to determine reasonableness of quantities proposed assuming reasonable economy and efficiency.
	Identify requirements for technical evaluation of scrap, spoilage and other associated factors.
	Summarize the material and subcontracts cost principle.
16	Assuming an advisory role in evaluating acquisition proposals, successfully summarize the evaluation of indirect costs.
	Identify the company process for developing and proposing indirect cost rates.
	Identify the inverse relationship between base and rate.
	Identify the external circumstances (contract type) that may bias company's business base projections.
	Identify relationship between indirect cost applied on awarded cost and fixed price contracts and firm's opportunity to employ full absorption vs. marginal pricing strategies.
	Identify government body of regulations regarding allowable, unallowable, and allowable with restrictions
17	Given a proposal evaluation scenario, demonstrate ability to calculate Facilities Capital Cost of Money (FCCOM).
	Define FCCOM.
	Identify key elements for calculating FCCOM.
	Calculate FCCOM.
18	Given a proposal evaluation scenario, demonstrate ability to employ the Weighted Guidelines (WGL) for calculating negotiation profit objectives.
	Describe the WGL method.
	Identify key elements for calculating profit and fee objectives with the WGL.
	Calculate a profit objective with the WGL.
19	Given a scenario, demonstrate ability to complete a Settlement Action relating to Defective Pricing .
	Define Defective Pricing.
	Identify Potential Cases of Defective Pricing.
	Develop a Government Position on a Price Adjustment as a Result of Defective Pricing.
20	Use professional negotiation tactics to successfully execute face to face negotiations.
	Differentiate among exchanges, clarifications, communications, discussions, negotiations, bargaining.
	Describe the contracting officer's role in negotiations.
	Distinguish among win-win, win-lose, and lose-lose negotiation styles.
	Identify negotiation best practices.
	Describe the key elements of post-award documentation in the official contract file.