



# DEFENSE ACQUISITION UNIVERSITY

## CON 270 - Intermediate Cost & Price Analysis

120306

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

<b>1</b>	<b>Given a contractor's proposal information, use Excel to model a proposal.</b>
	Explain the rationale for modeling a contractor's cost proposal.
	Define the required cost elements in FAR Table 15-2 and explain the relationships between them.
	Organize a contractor's cost proposal in Excel.
<b>2</b>	<b>Given market research and proposed information from offeror(s), using sampling data, select the appropriate statistical information to use in facilitating the decision-making process.</b>
	Determine the Measure of Central Tendency
	Determine the Measure of Dispersion
	Determine the Skewness and Kurtosis of the sample data set
	Calculate a Confidence Interval around the Measure of Central Tendency
Use Excel data analysis package to develop the appropriate statistical information	
<b>3</b>	<b>Given market research and proposed information from offeror(s), using historical data and regression analysis, select the appropriate statistical information to use in facilitating the decision making-process.</b>
	Given data, describe the linear regression process
	Develop and use a simple regression equation
	Analyze variation in the Regression Model (ANOVA)
	Measure how well the Regression equation fits the data
	Calculate and use a Prediction Interval
	Use Regression Analysis to predict the dependent variable
Use Excel data analysis package to develop the appropriate statistical information	
<b>4</b>	<b>Assuming an advisory role in evaluating acquisition proposals, successfully summarize the development, assumptions, application and risk of Cost Estimating Relationships (CERs).</b>
	Identify the kinds/types of CERs (cost/cost, cost/non-cost)
	Identify the uses of CERs in both cost and price analysis.
	Identify the logic behind the underlying causal relationship assumed in CERs.
	Identify the necessary analogical assumptions used in developing CERs (same type/class, normalization, baseline, reasonableness etc.)
	Identify the functional form relationship behind CERs (linear relationship with little or no intercept)
	Identify buyer/seller risk areas in using CERs relative to deviations from the zero intercept assumption.
	Identify reasonable relevant ranges in using CERs relative to deviations from the zero intercept assumption.
	Identify situations for use of Moving Averages
	Determine which Moving Average Model to use
Identify Issues and Concerns	
<b>5</b>	<b>Given market research and proposed information from offeror(s), using historical data and improvement curve analysis, select the appropriate statistical information to use in facilitating the decision-making process and to determine the impact of variation in quantity (VIQ) on cost/price.</b>
	Define the quantitative techniques, Improvement Curves, to use for developing a pre-negotiation position
	Apply Improvement Curves to develop a pre-negotiation position
	Apply improvement curve analysis in developing cost/price estimate projections based upon variation in quantities.
<b>6</b>	<b>Given a proposed contract change identify issues and factors to be considered in developing the government's negotiation objective for a contract equitable adjustment</b>
	Identify issues and factors to consider in making Equitable Adjustment
	Identify the concepts associated with an equitable adjustment
	Recognize cost issues
	Identify Profit/Fee issues
Identify issues to consider in pricing contract changes	



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	Identify other situations requiring adjustment
	Definitize Undefined Contract Action (GAO Report)
	Identify Special Considerations for Pricing Claims
7	<b>Given a contract termination identify issues and factors to be considered in pricing a termination settlement.</b>
	Differentiate between the types of contract terminations
	Construct a loss ratio
	Analyze the potential impact of a partial termination for convenience
8	<b>Analyze Cost Risks after development of a point estimate (POE)</b>
	Describe Symmetric Approximation
	Describe the Monte Carol Simulation
	Compare the Monte Carol Simulation to other approaches
9	<b>Give an acquisition requirement, identify the appropriate incentive contract type arrangement to meet the customer's needs and that will motivate the contractor to perform in the best interest of the government.</b>
	Distinguish the correlation between Contract Type and Contract Risk
	Identify the types of contract incentives
	Identify the elements that make an incentive arrangement
	Calculate the elements that make up the incentive arrangement
	Apply the components of the incentive arrangement to determine the final contract price:
	- Structure and Apply A Cost Incentive Pricing Arrangement
	- Structure and Apply Schedule/Performance incentives
	Identify Hybrid contracts type contracts (concepts)
10	<b>Given a competitive cost-reimbursable contract, Fixed Price Incentive contract or in some cases a Fixed Price contract conduct cost realism analyses to determine a contractor's most probable actual cost to perform successfully on a government contract.</b>
	Recognize when to perform Cost Realism analysis
	Identify the impact of uncompensated overtime on cost realism analysis
	Conduct Cost Realism analysis in Cost-Reimbursement Proposal Evaluation
	Conduct Cost Realism analysis in Fixed-Price Proposal Evaluation
11	<b>Given a contractor financing need develop a negotiation strategy considering Performance Based Payment</b>
	Establish Detailed Program Schedule
	Identify Key Performance Milestones-PBP Events
	Establish Completion Criteria for PBP Events
	Determine Monthly Expenditure Profile
	Establish Event Values
	Develop and Incorporate PBP Clause
	Demonstrate knowledge and use of PBP eTool
	Differentiate between progress payment and performance based payment in evaluating potential "Win - Win" price consideration