



DEFENSE ACQUISITION UNIVERSITY

CON 217 – Cost Analysis and Negotiation Techniques

090210

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

1	Determine when cost analysis should be used Identify the fundamentals of cost analysis Distinguish between price analysis, cost analysis, and cost realism analysis Identify cost analysis terms and techniques used when developing a prenegotiation position Identify factors to consider in determining when cost analysis should be used
2	Identify the use and application of a contract audit Identify the various types of audits Identify situations when an audit should be requested Identify the process for requesting an audit and the key players involved with the process Identify the use and application of a contract audit
3	Make a determination on a contractor's estimating and accounting systems Differentiate various contractor internal control systems Identify the contract specialist's role and responsibility in verifying an approved accounting system Identify the impact and implication of a contractor's unapproved accounting and estimating system Identify the steps necessary to approve, disapprove, or request changes to a contractor's internal control system
4	Calculate a cost objective for direct labor costs Identify proposed direct labor mix Relate proposed labor hours to work requirements to determine reasonableness of direct labor costs Examine proposed labor rates to determine a fair and reasonable prenegotiation position
5	Calculate a cost objective for direct material costs Identify the different types of material costs Determine the fairness and reasonableness of summary level cost estimates Establish the fairness and reasonableness of detailed quantity estimates Evaluate the reasonableness of unit cost estimates
6	Calculate a cost objective for other direct costs Identify types of other direct costs (e.g., special tooling and test equipment, computer services, and travel) Recognize concerns that affect the other direct costs proposed Determine if the other direct costs are properly proposed
7	Calculate a cost objective for indirect costs Identify indirect costs Identify indirect cost pools and bases Identify the process of calculating indirect cost rates Identify the cost allocation cycle Determine costs allowability
8	Calculate a cost objective for Facilities Capital Cost of Money Recognize elements affecting facilities capital cost of money Identify the steps to calculate the facilities capital cost of money (using DD Form 1861) Calculate facilities capital cost of money
9	Calculate a cost objective for profit or fee Identify the factors affecting profit/fee analysis Calculate a profit/fee using the appropriate structured approach Develop a pre-negotiation position for profit or fee that is fair and reasonable
10	Calculate a price/cost objective using statistics Identify contract situations where statistical analysis is an appropriate tool for developing a prenegotiation objective



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	Differentiate between the measures of central tendency and the methods for measuring dispersion Select the appropriate measure of central tendency and method for measuring dispersion for a given set of data Identify the process for establishing a confidence interval Identify the process for using stratified sampling Calculate a prenegotiation objective using the appropriate statistical analysis techniques
11	Calculate a price/cost objective using simple regression analysis. Identify what regression analysis is Identify the different regression analysis methods Identify contract pricing situations where simple regression analysis should be considered Identify the steps for using simple regression analysis Apply regression analysis to develop a prenegotiation position
12	Calculate a price/cost objective using learning curve analysis. Identify situations where improvement curve analysis would be appropriate Identify the steps for using improvement curve analysis Calculate an objective using improvement curve analysis.
13	Outline the process for conducting contract negotiations. Identify factors that contribute to success in any negotiation Identify key terms involved during a contract negotiation Identify how and when to use Interest-Based Negotiation (IBN) techniques to reach a negotiated agreement