
Ground Estimating from the Contractor Perspective

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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



C&T Development

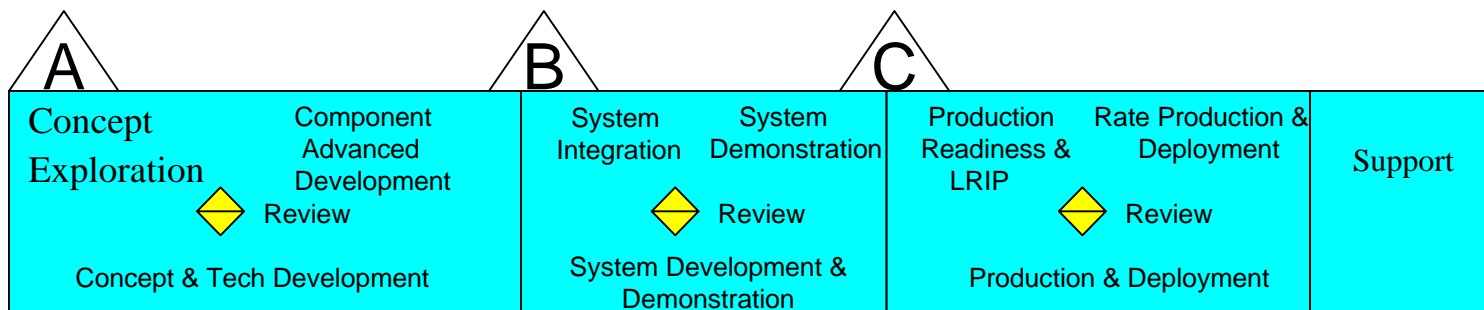
- Architecture trades being done
- System design unknown
- Gov't budget based on unknown system

Development/Production

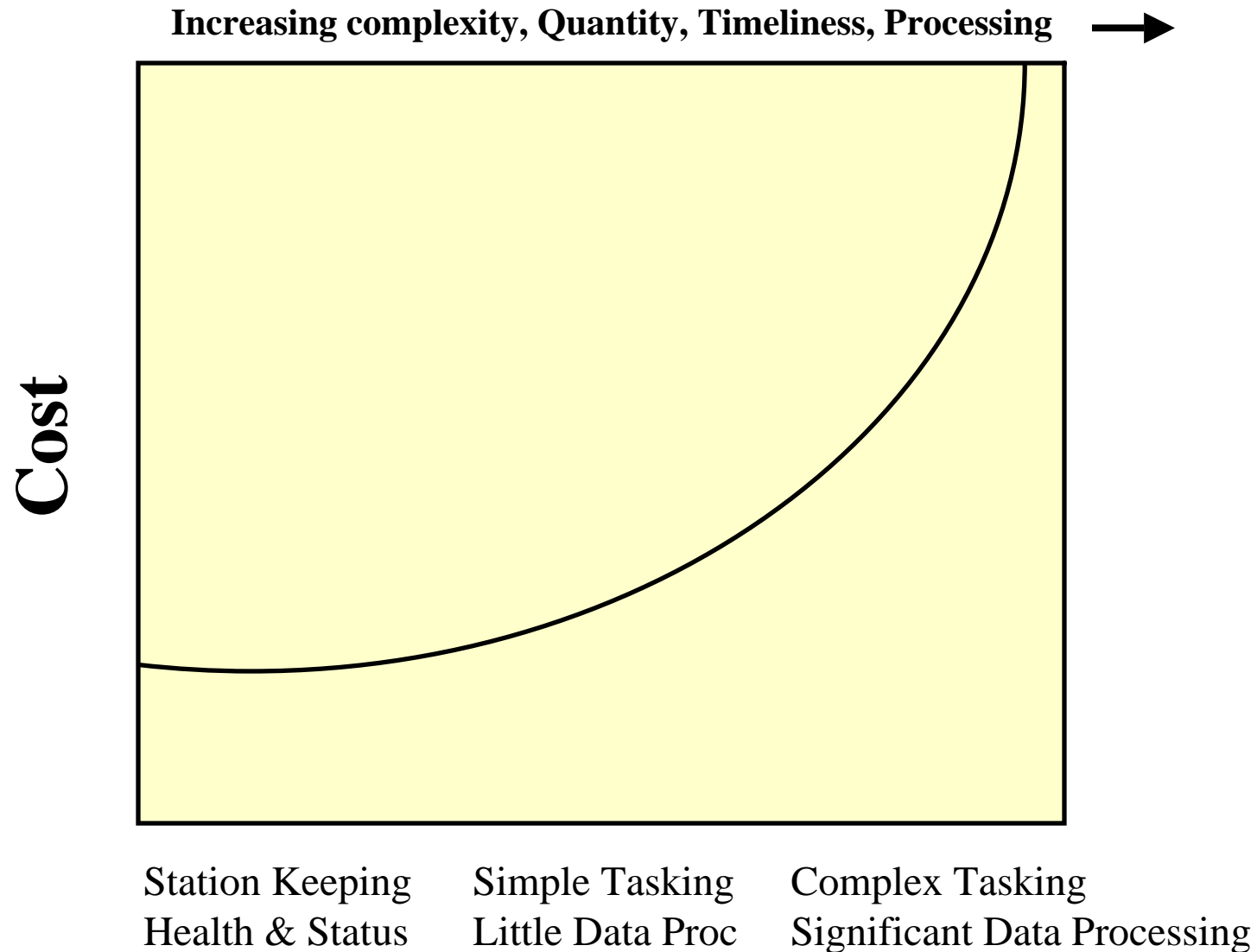
- Architecture selected
- System design proposed

Modifications

- System & Architecture understood



Ground Station Development Costs



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