

SCHEDULE

CON-170 – Fundamentals of Cost and Price Analysis

This is a Level 1 course designed for GS-1102 contract specialists. It is two weeks in length and provides foundational knowledge of contract cost and price analysis. Specifically, the course provides training in the application of quantitative tools to accomplish cost and price analysis with the Federal Acquisition Regulation (FAR) and the Contract Pricing Reference Guide.

Day 1

Introduction and Administrative Matters

Quantitative Methods

- Overview of Quantitative Analysis
- Using Index Numbers in Contract Cost/Price Analysis Situations
- Direct Comparison of a Past Procurement to a Current Procurement
- Developing a Cost Estimating Relationship (CER)
- Descriptive Statistics
- Developing Minimum and Maximum Price Positions
- Developing an Estimate of Risk
- Measures of Central Tendency

Day 2

Net Present Value

- Net Present Value Analysis
- OMB Circular A-94 Requirements
- Lease-Purchase Analysis
- Selecting a Discount Rate
- Treasury Rates
- Determining Cash Flow Timing
- Discount Factors
- Calculating Net Present Value
- Identifying Issues Regarding Net Present Value
- CERs
- Using a Simple Regression Equation
- Identifying Issues Regarding Regression Analysis and CERs

Day 3

Contract-Type Considerations

- Cost/Volume/Profit Considerations
- Types of Cost
- The Cost-Volume Relationship
- The Price-Volume Relationship
- The Cost-Volume-Profit Relationship
- Identifying Issues Regarding Cost/Volume/Profit Analysis
- Contract Types
- Acquisition Methods
- Cost Risk
- Fixed-Price Economic Price Adjustment Contracts
- Structuring and Applying Incentive Pricing Arrangements
- Contract Financing

Day 4

Market Research, Truthful Cost or Pricing Data, and CAS

- Market Research
- Independent Government Estimate
- Pricing Factors to Consider in Market Research
- Using Market Research to Estimate Probable Price
- Truthful Cost or Pricing Data Statute, Cost and Price Topics
- Cost or Pricing Data
- Cost or Pricing Data Certification
- Defective Pricing
- Penalties and Fraud for Knowingly Withheld Data
- Other Requirements
- Truthful Cost or Pricing Data Requirements
- Developing a Prenegotiation Position
- Cost Accounting Standards (CAS)
- Generally Accepted Accounting Principles (GAAP)

Day 5

Cost Versus Price

- The Differences Between Cost and Price Analysis
- Direct and Indirect Costs
- Cost Realism Analysis
- Technical Analysis

Week 1 Review**Week 1 Exam**

Day 6

Price Analysis

- Purchasing for the Government
- The Seller's Approaches to Pricing
- Cost-Based Pricing Strategies
- Market-Based Pricing Strategies
- Price-Analysis Objectives
- Fair and Reasonable Prices
- Price-Analysis Considerations
- Price-Related Factors
- The Buy American Statute
- Government-Furnished Property
- Costs and Savings to the Government
- Transportation Costs
- Options
- Multiyear Contracting
- Life-Cycle Costs
- Energy Conservation and Efficiency Factors
- Lease Versus Purchase Factors
- Small Disadvantaged Business Price Evaluation Adjustment
- HUBZone Price Evaluation Preference

Day 7

Cost Analysis and Direct Costs

- The Cost Analysis Process
- The Elements of a Cost-Type Contract Proposal
- Direct Labor
- Analyzing the Roundtable Estimate
- Analyzing Comparison Estimates
- Analyzing Estimates Developed Using Labor Standards
- Analyzing Labor Rate Estimates
- Using Industry and Company Data to Estimate Future Rates
- Direct and Indirect Material Costs
- Summary Estimates
- Detailed Estimates
- Subcontract Pricing Responsibilities

Day 8

Indirect Costs and Profit

- Other Direct Costs
- Indirect Costs
- Estimating Indirect Cost Rates
- Indirect Cost Rate Analysis
- Forward Pricing Rates
- Ensuring That Indirect Cost Rate Is Applied to the Appropriate Base
- Facilities Capital Cost of Money
- Profit/Fee Analysis
- Factors to Consider
- Using the DoD Weighted Guidelines
- Facilities Capital Employed Profit/Fee Analysis
- Identifying Exempt Contract Actions
- Using an Alternate Structured Approach

Day 9

Performance-Based Payments and Negotiations

- Using the Performance-Based Payments Analysis Tool

Exercises

Day 10

Exercises (cont'd.)

Week 2 Review

Final Exam