

Top 10 Cost/Benefit Estimation Categories for Programme Assessments of Equipment Product Utility

02/02/2017

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1. *Programme Service Life Cost Estimate:*

Identification of all cost elements pertaining to the total life of a project, beginning with mission feasibility and extending through operations/support. Backs up Acquisition & investment decision-making process to support budget planning with exhaustive and structured determination of all costs related to programme. Becomes project budget baseline, ensuring costs are fully accounted for and minimised. Logistics is considered, with Iterative and on-going reviews conducted by technical team to ensure credibility/accuracy.

2. *Independent Technical Economic Review:*

Make sure independent estimate conducted by outside organisation using same detailed technical and procurement information. Other estimates to support modifications include estimates for Conversion, Activation, Modernisation and Service Life Extension. Serves as comparison to programme estimate to assist in determining if cost estimate accurately captures all requirements. Results to be reconciled because of challenges in determining full scope of work to be accomplished. Assess technical approach to programmes, detailing acquisition risk mitigation strategies & actual cost of work completed to date plus predicted cost/schedule for finishing remaining work.

3. *Business Case Description Case Study:*

Provides justification for proposed investment combining strategic reviews with comprehensive cost/benefit/risk reviews. Business case is characterised by three primary functions: First, clarify/structure planning required for effective decision-making. Second, determine value of investment or business initiative. Third, guide on-going investment evaluations. Smart business case details acquisition, implementation, and performance measurement strategies to create foundation for detailed administrative plans designed to run equipment programme.

4. *Total Conversion Authority Factor:*

Converting budget/programme money between implementation periods used to convert programme costs in terms of converting present to subsequent schedule periods. Publish as quick reference programme estimate teams. Updated frequently and accurately provided to decision-makers and contractors as requested.

5. *Build Contract Escalation Estimate:*

Summary report showing build contract escalation estimates by equipment system based on requestor inputs & actual/projected representation of expenditures. Used to determine Escalation line item of budget exhibit. Required for contracts containing compensation adjustment clauses provided on demand. Requests must provide the following inputs: Contract Start Dates, Delivery Schedule, Direct Labour, Indirect/Overhead, Materiel required for Engineering teams.

6. *Job Site Workload Representation Charts:*

Determine resources impacts for design, construct, maintain, and repair equipment under contract at individual job sites to be subsequently baselined/aggregated to fit total levels, so process advances are provided upon request. If requesting alternative to current baselines, programme teams must be provided with build update assumptions of inputs described in previous section.

7. *Repair & Modernisation Job Site Rates:*

Rates for work order terms describing amount of work accomplished on time to include historical rates as well as projections using either forward priced rates or escalated rates in appropriate indices. Provides rates for individual & average job site function. Used in creation of maintenance/modernisation budgets, and provision of installation cost estimates associated with proposed work order changes during availability schedules.

8. *Build Conversion Schedule Progress Report:*

Summary of major build schedule, progress & contract information for active programmes based on information stored in central source for metrics by acquisition/logistics teams. Creating reports assessing specific suppliers used to evaluate diminishing sources, source restrictions & other issues with potential to add risk to build events to provide as tasked by Programme Administrators.

9. *Special Candidate Job Site Feasibility Studies:*

Provide feasibility review of candidate job sites supporting exploration of alternatives to require tasking/ funding by Programme decision makers. Job site information must include quality of skilled trade labour, capital infrastructure, shop areas, etc. Provide for timely direction to prepare contractor assessment reports and meet requirements of special inquiries. Conduct periodic survey to establish adequacy of mobilisation base to include accurate updates.

10. *Supporting Supplier Information Transfers:*

Information about suppliers supporting build events must include timely description of labour skills, product line sales, lead times, capacity utilisation rates, etc. to support preparation of Assessment Reports & special administrative inquiries. Equipment parts supply extracts must be reported by Time period so supplier performance is evaluated.