



DEFENSE ACQUISITION UNIVERSITY

CMC 233 - Forward Pricing Rates

180326

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

1	<p>Given DoD and Defense Contract Management Agency (DCMA) policies and procedural documentation, explain the key concepts of Forward Pricing Rates (FPRs), including governing regulations, the need for emphasis on overhead rates, risks associated with the overhead forecasting process, and the objective of Overhead Should Cost reviews.</p> <p>Recall terms and definitions associated with Forward Pricing Rates (FPRs).</p> <p>Recall the governing regulations that apply to Forward Pricing Rate (FPR) establishment.</p> <p>Describe Defense Contract Management Agency (DCMA) policies regarding Forward Pricing Rates (FPRs).</p> <p>Explain the reasoning for strong emphasis on forward pricing rates.</p> <p>Identify the risk in the Forward Pricing Rate (FPR) forecasting process.</p> <p>Explain the objective of Overhead Should Cost reviews.</p>
2	<p>Given a Contractor's proposal and the requirements to establish Forward Pricing Rates (FPRs) that are fair and reasonable to the Government, prepare for a Forward Pricing Rate Proposal (FPRP) analysis.</p> <p>Utilizing the DCMA Contractor Forward Pricing Rate Proposal (FPRP) Adequacy Checklist, examine a sample Contractor's proposal for adequacy.</p> <p>Identify required Functional Assistance Team member roles and responsibilities.</p> <p>Conduct a preliminary Risk Assessment of a sample Contractor's proposal.</p> <p>Describe the importance of the Forward Pricing Rate Proposal (FPRP) walk-through.</p> <p>Using the Forward Pricing Rate Proposal (FPRP), preliminary risk assessment results, and results of the proposal walk-through, perform a risk assessment of a sample Contractor's proposal to determine the high risk areas for a focused review.</p> <p>Describe the communication and correspondence required during the Forward Pricing Rate Proposal (FPRP) review/analysis process.</p>
3	<p>Given a Contractor's Forward Pricing Rate Proposal (FPRP), discuss the requirements for establishment of a Forward Pricing Rate Recommendation (FPRR).</p> <p>Explain the purpose of a Forward Pricing Rate Recommendation (FPRR).</p> <p>Identify tools and techniques used to produce a Forward Pricing Rate Recommendation (FPRR).</p> <p>Explain the approval process for Forward Pricing Rate Recommendations (FPRR).</p>
4	<p>Given an acceptable Contractor's Forward Pricing Rate Proposal (FPRP) and the requirement to establish Forward Pricing Rates (FPRs) that are fair and reasonable to the Government, analyze an example Contractor's labor rates for reasonableness.</p> <p>Identify the factors that affect Contractor labor rates.</p> <p>Analyze a sample Contractor's labor rates for adequate inclusion of identified factors.</p>
5	<p>Given an acceptable Contractor's Forward Pricing Rate Proposal (FPRP) and the requirement to establish Forward Pricing Rates (FPRs) that are fair and reasonable to the Government, examine an example Contractor's business base (sales) forecast for reasonableness.</p> <p>Analyze a Contractor's sales forecast.</p> <p>Define the indirect bases and the composition of all indirect bases.</p> <p>Distribute sales dollars to indirect rate bases for labor and material.</p> <p>Recognize Cost Estimating Relationship (CER) impacts on Forward Pricing Rate Proposal (FPRP).</p>
6	<p>Given an acceptable Contractor's Forward Pricing Rate Proposal (FPRP) and the requirement to establish Forward Pricing Rates (FPRs) that are fair and reasonable to the Government, analyze a sample Contractor's indirect pool expenses for reasonableness.</p> <p>Identify the types of indirect pool expenses in the Contractor's Forward Pricing Rate Proposal (FPRP).</p> <p>Determine the impact of Cost Reduction Initiatives (CRIs) on Forward Pricing Rates (FPRs).</p> <p>Analyze employee Fringe (FRG) pool expenses for anomalies.</p> <p>Analyze Overhead (OH) pool expenses for anomalies.</p> <p>Analyze General and Administrative (G&A) pool expenses for anomalies.</p> <p>Identify the impact of Corporate and/or Intermediate Home Office (IHO) cost flow downs.</p>
7	<p>Given an acceptable Contractor's Forward Pricing Rate Proposal (FPRP) and the requirement to establish Forward Pricing Rates (FPRs) that are fair and reasonable to the Government, review a sample Contractor's Independent Research and Development (IR&D) projects/costs for reasonableness.</p> <p>Identify the policies and regulations associated with Independent Research and Development (IR&D).</p> <p>Identify the importance of technical support in reviewing Independent Research and Development (IR&D).</p> <p>Determine the reasonableness of the Independent Research and Development (IR&D) costs.</p>
8	<p>Given an acceptable Contractor's Forward Pricing Rate Proposal (FPRP) and the requirement to establish Forward Pricing Rates (FPRs) that are fair and reasonable to the Government, examine a sample Contractor's Facilities Capital Cost of Money (FCCOM) for reasonableness.</p> <p>Identify factors for calculating Facilities Capital Cost of Money (FCCOM).</p> <p>Calculate the Facilities Capital Cost of Money (FCCOM) factors.</p>



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9	Given a completed Forward Pricing Rate Proposal (FPRP) analysis, complete the Cost Analysis section of a Pre-Negotiation Objective Memorandum (PNOM).
	Describe the required elements of the Pre-Negotiation Objective Memorandum (PNOM).
	Document the Cost Analysis section of the Pre-Negotiation Objective Memorandum (PNOM) including integration of any functional specialists' reports.
	Describe the Pre-Negotiation Objective Memorandum (PNOM) approval process.
	Describe the Forward Pricing Rates negotiation process.
10	Given an approved Pre-Negotiation Objective Memorandum (PNOM) and completed negotiations, create a Price Negotiation Memorandum (PNM) and Forward Pricing Rate Agreement (FPRA).
	Describe the required elements of the Price Negotiation Memorandum (PNM).
	Describe the required elements of the Forward Pricing Rate Agreement (FPRA).
	Describe the Price Negotiation Memorandum (PNM) and Forward Pricing Rate Agreement (FPRA) approval process.
	Describe the process to formally issue the Forward Pricing Rate Agreement (FPRA).
11	Given an approved Forward Pricing Rate Agreement (FPRA) or an established Forward Pricing Rate Recommendation (FPRR), generate any Forward Pricing Rate (FPR) adjustments via recurring cost monitoring analysis.
	Describe the Cost Monitoring Process.
	Determine the impact of current and out-year variances and their trends on the Forward Pricing Rate Agreement/Forward Pricing Rate Recommendation (FPRA/FPRR).
	Identify rate monitoring tools and techniques.
	Describe the Forward Pricing Rate (FPR) adjustments process.