



Resource Consultants, Inc.

**... a worldwide provider
of integrated solutions**



*Operating and Support Cost
Estimating (O&SCE) Capabilities*

*Presented to:
Navy Acquisition Reform Office (ARO)*

RCI Points of Contact:

Lee Thomsen (571) 226-5154

John Van Note (215) 942-0410

Resource Consultants, Inc
2650 Park Tower Drive,
Suite 800
Vienna, VA 22180

RCI Web Site

www.resourceconsultants.com



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Introduction to RCI

RCI Web Site: www.resourceconsultants.com



... an integrated solutions provider



- Offering Integrated Solutions
 - > Logistics Engineering
 - > Engineering
 - > Information Technology
 - > Human Strategies
 - > Enterprise Management and Outsourcing
 - > Business Process Reengineering
- Customers
 - > Defense Department
 - > Federal Agencies
 - > U.S. Postal Service
 - > State and Local Governments
- Two Decades of Successful Experience
 - > Over 3000 employees
 - > 100 Branch Offices
 - > 11 Major Locations
 - > 21 Overseas Locations

RCI offers integrated solutions based on 21 years of successful performance.



Strength in Numbers - Worldwide

Headquarters: 2650 Park Tower Drive, Vienna, VA



3,000 Personnel Worldwide

Headquarters

Vienna, VA

Branch Offices

Austin, TX
Charleston, SC
Chula Vista, CA
Crystal City, VA
Jacksonville, FL
Mechanicsburg, PA
Patuxent River, MD
Philadelphia, PA
San Diego, CA
Virginia Beach, VA
Waipahu, HI
Washington DC
Others

Major Locations

Capitol Heights, MD
Detroit, MI
Great Lakes, IL
Gulfport, MS
Norman, OK
Pittsburgh, PA

International Sites

Europe
Korea

RCI is well-positioned in strategic locations near its key customers.



Full Service Offerings



Business Processes & Applications

- Cost Estimating
- Business Case Analyses
- Regionalization Analyses
- Business Process Reengineering
- Commercialization Analyses
- Strategic Source Analyses

Human Service & Strategies

- Career Development
- Career Transition Assistance
- Workforce Development
- Recruiting
- Program Assessment
- Outplacement Services

Engineering and Logistics

- Performance Based Logistics
- Alternative Logistics Support
- Systems Engineering
- Engineering Design
- Software Engineering
- Test and Evaluation
- C4ISR Systems Installations
- In-Service Engineering

Enterprise Management and Outsourcing

- Enterprise Management
- Educational Support Services
- Outsourcing Operations
- Mail-Related Services
- Specialized Mail Systems and Business Processes

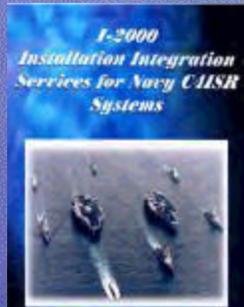
Information Technology

- Information Architecture
- Systems Development
- Distance Learning
- Enterprise Management
- Enterprise Resource Planning
- e-Business/e-Gov
- Modeling

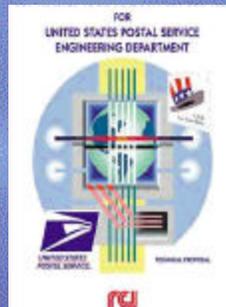
RCI provides comprehensive service offerings as an integrated solutions provider in a number of sectors.



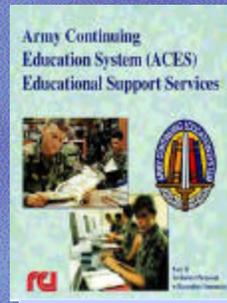
Recent Contract Awards Demonstrates Solid Performance



\$490M Award



\$77M Award



\$49M Award



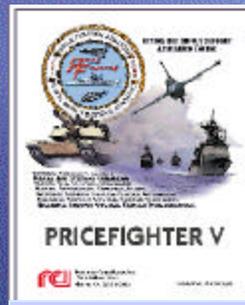
Pressurized Rescue Module System

Other Recent Awards

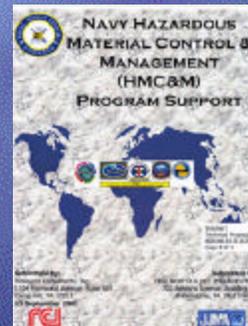
- SPAWAR National Airspace System Modernization \$49M
- Workforce Transformation of FBI \$2.7M
- Army Recruiting \$71.9M
- Support Navy Director of Acquisition Career Development \$9.5M



\$13.8M Award



\$25M Award



\$23.4M Award



\$45M Award



RCI achieves consistent revenue growth through best value service performance to the customer as evidenced in recent contract wins.



RCI Operating and Support Cost Estimating (O&SCE) Capabilities



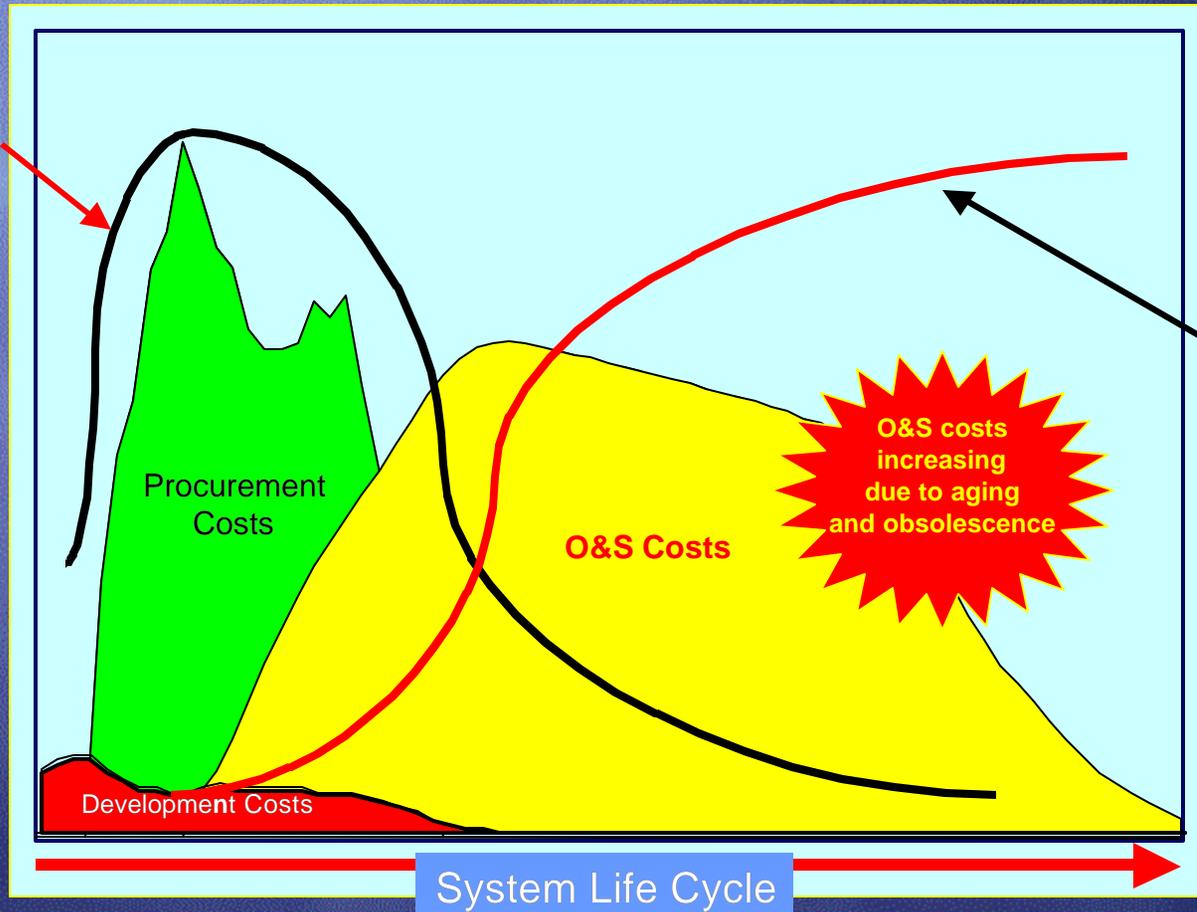
Essential Cost Definitions

- Total Ownership Costs – Life Cycle Costs. All costs associated with the research, development, test, evaluation, procurement, military construction, operations and support, and disposal of a system.
- Operations and Support (O&S) Costs – All costs of operating a fielded system (acquisition of logistics elements, personnel, fuel, consumable and repairable materials, repair & maintenance, facilities maintenance, and technical support).



Typical Defense System Life Cycle Cost Profile

Typical Development and Procurement Costs



Typical Operations & Support Costs

New 5000 series assigns Program Managers (PMs) Total Life Cycle System Management (TLCSM) responsibility for delivery of sustainable and affordable capability.



RCI O&S Cost Estimating Model

Analytical Methods for Cost Estimating

- Actual cost data
- Parametric analyses
- Analogous
- Engineering estimates
- Sufficiency reviews
- Probability distributions
- Contingency allowance
- Sensitivity analyses
- Extrapolation

RCI Resources

Staff Experience:

- Engineering
- Cost Analysts
- Logisticians
- Acquisition
- Contracts
- Data Analysts

Data Sources:

- VAMOSOC
- NAVICP Files
- DLA Net
- Contract Tech Data Files
- NALDA/NAVSEALOGCEN
- Commercial Data

PM Program Cost Estimating Requirements

- CAIV for TOC
- ORD
- Development costs
- Flyaway costs
- System costs
- Procurement costs
- Total Ownership costs
- Life Cycle Cost Estimates
- O&S costs

RCI tailors O&S cost Estimating ...

- Methods
 - Tools
 - Sources
- to needs of program and availability of data.

Enable PM to deliver sustainable and affordable capability to warfighter

Under TLCSM responsibility, PM must seek to reduce O&S while sustaining capability to warfighter

RCI has extensive experience providing O&S cost estimating support to both new acquisition and legacy system programs in all phases of acquisition and life cycle sustainment.



RCI O&SCE Capabilities – Program Management Support

- Conduct Earned Value Management (EVM) analyses
- Develop and maintain Integrated Master Schedules—Conduct probabilistic schedule risk analyses from integrated networks
- Identify cost, schedule and technical performance risks and support trade-off analysis
- Prepare supporting documentation IAW DoD 5000 series
- Support HQ, OSD and Congressional reviews
- Estimate and analyze costs for all program elements and phases
- Initiate/update Reduction of Total Ownership Cost (RTOC) plans
- Evaluate Cost As an Independent Variable (CAIV) plans
- Provide source selection support
- Develop down-select process and evaluate Industry proposals
- Financial, accounting and auditing services

RCI supports program management requirements from early development through the various milestones and reviews.



RCI O&SCE Capabilities – Studies and Validation Services

- Review and validate:
 - > Program Earned Value Management (EVM) analytical framework
 - > Performance Measurement Baseline ... Integrated Baseline Reviews
 - > Independent engineering estimates
 - > Contractor data:
 - Estimates and estimating techniques
 - Cost data sources
 - Comprehensiveness of cost data
 - Performance reports
 - Estimates at completion
 - Cost realism
 - > Cost estimating methods, sources and tools
 - > Cost Estimating Relationships (CERs)
 - > Trade study process, data sources and cost models
- Trade-off and technical review Studies
- Cost studies using BPR, ABC and BCA processes
- Cost estimating support for Analysis of Alternatives (AOA)

RCI provides a wide range of cost studies and validation services throughout all phases of system development, production and fielding. 13



RCI O&SCE Capabilities – Assessments and Analyses

- Independent estimates/assessments for system development, production, operating and support, infrastructure costs
- Should-cost analyses
- Analogous; Engineering-based cost analyses
- Earned Value Management (EVM) variance analyses
- Analysis/assessment of RTOC, PBL and Full Service initiatives
- Miscellaneous analyses:
 - > Acquisition, Life-cycle Management, Integrated Logistics Support
 - > Design and Manufacturing, Test and Evaluation, Engineering
 - > Risk identification and mitigation plans
 - > Human systems integration, quality of life, regionalization
 - > Benchmarking and sensitivity

RCI thorough cost estimate assessments and analyses are well respected by clients.



RCI O&SCE Capabilities – Methods and Tools

- RCI cost estimating methods:
 - > Analogy
 - > Parametric
 - > Extrapolation
 - > Engineering estimate
 - > Modeling
- RCI tools and processes used:
 - > Business Case Analyses (BCAs)
 - > NAVICP LECP ROI Model
 - > Readiness Based Sparing Model
 - > Cost, performance trade-off
 - > Total Ownership Cost (TOC) / Life Cycle Cost (LCC)
 - > Development/implementation of Activity-based Costing (ABC) models
 - > O&S Cost Analysis Model (OSCAM)

RCI can assist in ensuring cost and performance objectives are being adequately identified and implemented in support of program objectives.



RCI O&SCE Capabilities – Sources

- RCI access to cost data sources:
 - > VAMOSC
 - > NALDA and NAVSEALOGCEN
 - > NAVICP System Files
 - > DLANET SAMMS
 - > Contract technical data files
 - > Defense Logistics Service Center
 - > Logistics On-Line Access (LOLA)
 - > JEDMICS /other data repositories
 - > Commercial manufacturers/distributor data
 - > Contractor Cost Data Reports
 - > Contractor Performance Reports
 - > Earned Value Databases maintained by OSD

RCI can assist in ensuring cost and performance objectives are being adequately identified and implemented in support of program objectives.



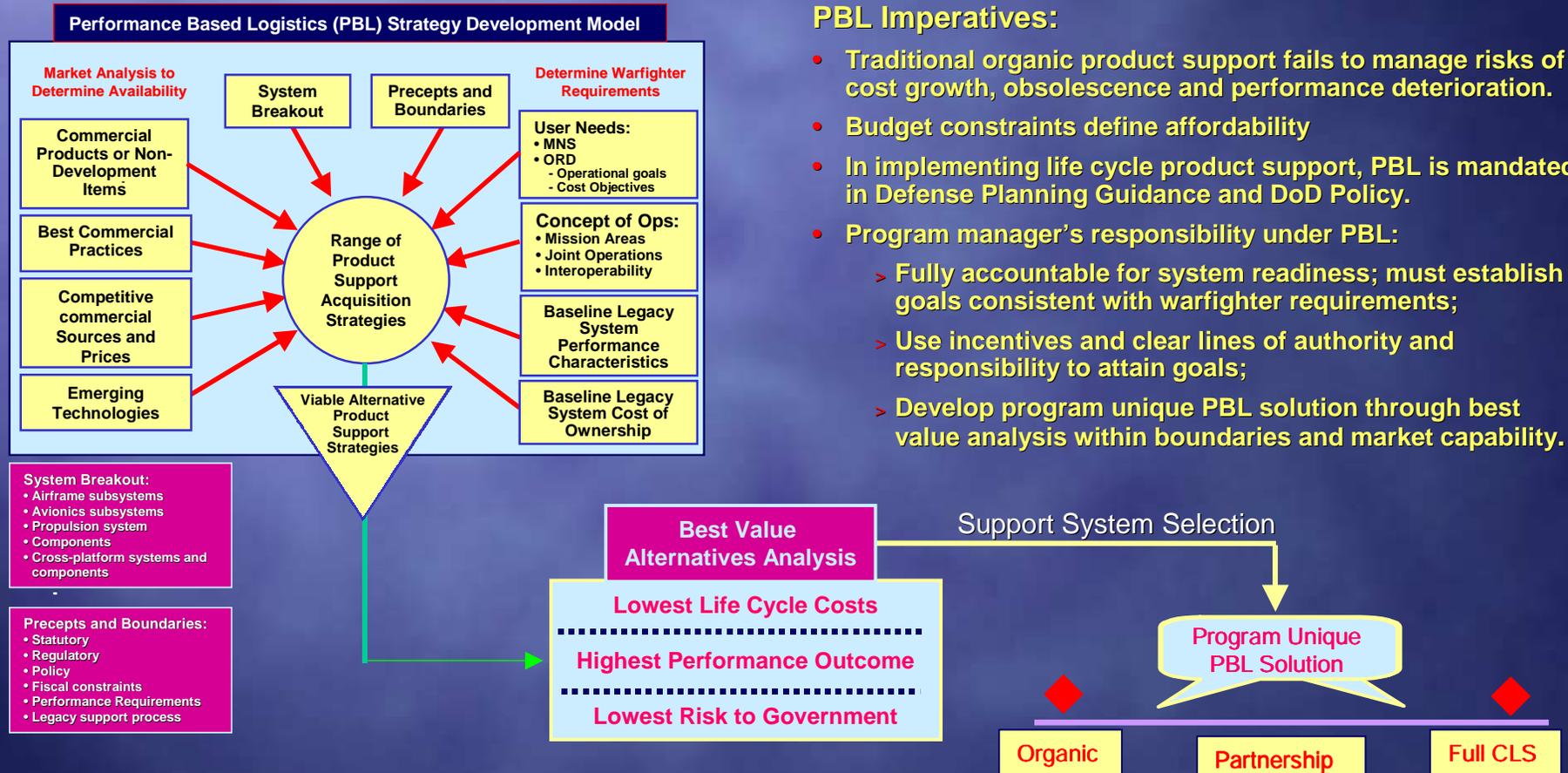
Performance Based Logistics Role in RTOC

- RCI Performance Based Logistics/Alternative Logistics Support (PBL/ALS) development is major part of RCI O&SCE capabilities used in RTOC Planning:
 - > Requirements analysis, acquisition and support strategy development
 - > Establish baseline system performance characteristics and Total Ownership Cost (TOC)
 - > Conduct market analysis to determine availability of commercial products, processes, sources and pricing
 - > Develop viable support strategies and down select through best value analysis
- RCI has extensive experience in PBL/ALS development with the U.S. Navy and USMC on aircraft, engines, combat vehicles, and support systems.
- RCI has developed a rigorous PBL development model in use today with clients.

RCI is an industry leader in providing PBL/ALS development support to Navy and USMC weapons and support system programs.



RCI PBL Development Model



PBL Imperatives:

- Traditional organic product support fails to manage risks of cost growth, obsolescence and performance deterioration.
- Budget constraints define affordability
- In implementing life cycle product support, PBL is mandated in Defense Planning Guidance and DoD Policy.
- Program manager's responsibility under PBL:
 - > Fully accountable for system readiness; must establish goals consistent with warfighter requirements;
 - > Use incentives and clear lines of authority and responsibility to attain goals;
 - > Develop program unique PBL solution through best value analysis within boundaries and market capability.

The RCI PBL Model is tailorable to meet unique program needs considering costs, timing and commercial market position.



RCI O&SCE Capabilities – Summary

- RCI has strong, well-established cost estimating capability and experience:
 - > Price Fighters
 - > Systems Commands and Agencies
 - NAVAIR
 - NAVSUP
 - NAVSEA
 - SPAWAR
 - MARCORSSYSCOM DRPM
 - NAVICP
- RCI has experience in all phases of cost estimating including O&S for aircraft, combat vehicles, ships and facilities
- RCI can serve as an honest broker – the corporation can conduct analyses and make recommendations independent of material gain

RCI is an industry leader in providing O&SCE services to military service clients to ensure best value for the Government.



Contract Vehicles Available

- **GSA - MOBIS**
 - > Contract # GS-10F-0191J
 - > POC: Dirk Smith 571-226-3016
 - > EMAIL: dsmith@resourceconsultants.com
- **DSSW - HR XXI**
 - > Contract # DASW01-08-D-0070/71
 - > POC: Steve Sultan 571-226-5042
 - > EMAIL: ssultan@resourceconsultants.com
- **FOSSAC - Price Fighters**
 - > Contract # N00140-01-D-E405
 - > POC: Bob Wood 757-464-5252
 - > EMAIL: rcivbbwi@aol.com



Points of Contact

- Resumes available upon request
- For additional information, contact
 - > Mr. Lee Thomsen, Vienna, Virginia
 - (571) 226-5154
 - lthomsen@resourceconsultants.com
 - > Mr. John W. Van Note, Philadelphia, Pennsylvania
 - (215) 942-0410
 - jvannote@resourceconsultants.com