

NOVA COLLEGE-WIDE COURSE CONTENT SUMMARY

CON 170 – FUNDAMENTALS OF COST AND PRICE ANALYSIS (3 CR.)

Course Description

Teaches the fundamentals of the market research process, and analysis of contractor-pricing strategies. Introduces cost-volume-profit analysis, calculation of contribution margin estimates, and the process of developing cost estimating relationships for an effective price analysis pursuant to FAR subpart 15.4. Lecture 3 hours per week.

General Course Purpose

Provides the student with foundational knowledge of market research process and provides the instruction to help the students understand and analyze contractor pricing strategies. This course is intended for the beginning contract officers and students who are in the beginning of a Contract Management program.

This course prepares the student for several industry standard certifications offered from the National Contract Management Association (NCMA). These certifications are accredited by the American National Standards Institute (ANSI). The curriculum content for this course aligns with NCMA's Contract Management Standard (CMS) and the NCMA Contract Management Body of Knowledge (CMBOK). Both the CMS and CMBOK are ANSI accredited

Course Prerequisites/Corequisites

Prerequisite: CON 100

Course Objectives

Upon completing the course, the student will be able to:

- Develop and execute fundamental quantitative pricing skills.
- Categorize the proper policies and procedures for the post award orientation of contractors.
- Examine and successfully determine various seller-pricing strategies.
- Demonstrate an understanding of the Truth in Negotiation Act that includes its purpose of mitigating government cost risk.
- Identify the policies and procedures for applying the Cost Accounting Standards Board (CASB) rules and regulations to negotiated contracts and subcontracts.
- Examine and determine the proper cost accounting principles and procedures to apply to contracts.
- Examine and determine the proper market research tools to utilize in order to recognize the essential elements of a market research report.
- Examine and determine the proper contracting strategy, including identifying the proper contract type and other incentives.
- Examine and determine the proper for implementing contract finance arrangements, their order of preference, including identifying the proper situation for use.
- Differentiate between cost and price analysis.
- Differentiating the price analysis techniques pursuant to FAR 15.4.
- Examine price related factors.
- Accurately perform proposal analysis in accordance with FAR 15.4.
- Examine and determine whether the contractor's business systems are found to be found compliant in order to award and pay government contracts.
- Differentiate between direct and indirect costs.
- Summarize and evaluate direct materials and subcontractors' costs.
- Summarize and evaluate indirect costs.
- Examine and calculate Facilities Capital and Cost of Money (FCCOM).
- Demonstrate the proper use of Weighted Guidelines.
- Complete a Settlement Action relating to Defective Pricing.

- Utilize professional negotiation tactics to successfully execute face to face negotiations.

Major Topics to be Included

- Identification of reasonable cost estimating relationships.
- Identifying and differentiating among market structures.
- Identifying when it is appropriate to request cost and pricing data from contractors.
- Cost Accounting Standards.
- Applying cost accounting principles to various types of contracts.
- Sources of financial information for prospective contractors.
- Key risk elements of costs, performance and schedule.
- Utilizing government financing tools.
- Fair and reasonable price.
- Examination of cost proposals.
- Contractors' business systems.
- Understanding and recognizing direct costs.
- Understanding and recognizing indirect costs.
- Understanding cost and pricing data and when to request it from the contractor.
- Understanding FCCOM.
- Understanding the Contracting Officer's role during negotiations.