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Estimating System Review

The second contractor business system of concern today is a contractor's estimating system. DFARS clause 252.215-7002 Cost Estimating System Requirements, sets forth 17 systems criteria against which an estimating system is measured for "acceptability."

Objective Obtain and keep an "acceptable estimating system" through self-assessment and action as necessary to provide a reliable, consistent, compliant, and accurate estimating system.

Approach Evaluate information on organization structure, products/services, contract awards, sales, business plans, etc. to determine needs of company estimating system.

Review estimating manuals, policies, procedures, and system support software for adequacy.

Evaluate third-party audit reports and responsive actions to enhance and improve the estimating system.

Perform transaction tests, as mutually agreed upon, to measure the degree to which practices mirror procedural expectations.

Analyze above, discuss with appropriate company personnel, identify and compliance and/or improvement issues, and assess alternative courses of action.

Output Oral and/or written report to identify findings, observations, and recommendations for corrective actions and/or enhancement.

Benefits Obtain and keep an "acceptable estimating system," thus avoiding payment withhold and related administrative burden and risk.

Determine compliant estimating practices that also enhance cost recovery and profitability of Government and commercial contracts.

Benefits from third party, independent assessment of estimating system and related indirect insight into estimating "best practices" to enhance competitiveness and reduce risk.

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