

**PERFORMANCE WORK STATEMENT**  
**SPAWAR 1.6 COST ESTIMATING AND ANALYSIS SUPPORT**

**1.0 INTRODUCTION**

This Performance Work Statement (PWS) defines the effort to be performed and appropriation type required (shown in parentheses in the applicable section 5 title) for Space and Naval Warfare Systems Command (SPAWAR) Cost Estimating and Analysis Division (SPAWAR 1.6) for Information Dominance Systems encompassing the fields of Intelligence, Surveillance, and Reconnaissance, Cyber Warfare, Command and Control, Information and Knowledge Management, Communication Systems and enabling technologies including meteorological and oceanography. SPAWAR 1.6 serves as the cost estimating and analysis lead overseeing Program Executive Office (PEO) and Program Manager (PM) cost estimates and analyses, and Integrated Program Management (IPM) analyses. SPAWAR 1.6 is the technical authority cost competency for SPAWAR and affiliated PEOs. SPAWAR 1.6 promotes the use of common business/financial tools and best business practices throughout SPAWAR. These products and services enable senior leaders to make credible financial business decisions, establish and defend budgets objectively; and understand the risk in compliance with public law.

**2.0 BACKGROUND**

SPAWAR's vision and strategy in support of the Navy's strategic goals is to provide, support, and modernize the Information Dominance capability of our forces both afloat and ashore. This strategy requires the need to improve readiness of C4I networks across the Fleet, consolidate /reduce the existing information technology footprint, and ensure integration and interoperability in all operational environments. SPAWAR has an additional goal to build affordable future Information Dominance capabilities. To assist SPAWAR in achieving its strategic vision and goals, SPAWAR 1.6 serves as the SYSCOM Competency and authoritative source for cost estimates and analyses and IPM analyses.

SPAWAR 1.6 translates system and functional requirements associated with programs/projects, contract proposals, or processes into budgetary requirements. The primary SPAWAR 1.6 product is the development of a Program Life Cycle Cost Estimates (PLCCEs) for all Program

Offices within SPAWAR. SPAWAR 1.6 cost products are usually risk-based to determine realistic assessments of the likely cost outcome of a system or program; the results form the basis of the plan for executing the work to develop, field, and support the system.

### **3.0 OBJECTIVE**

The Cost Competency supports SPAWAR Headquarters and the affiliated PEOs currently located in multiple locations within the Continental United States (CONUS). Affiliated PEOs encompass PEO C4I- Command, Control, Communications, Computers, and Intelligence; PEO SS- Space Systems; PEO EIS- Enterprise Information Systems; and non-PEO-related products and services and external programs as requested. Analyses span all phases of the life cycle (i.e., Material Solution Analysis (MSA), Technology Demonstration, Engineering and Manufacturing Development, Production and Deployment, and Operations and Support) which the contractor should be familiar with.

The contractor shall be familiar with cost estimating, techniques, data, and methods needed to perform the work, and will employ qualitative and analytical skills to establish, understand, and maintain the technical baseline in the cost model. This support will include tasks such as planning, selecting estimating methodologies, collecting and analyzing data, normalizing the data, forming the estimate, and building cost models using relationships that have been statistically derived. These relationships may be based on size, weight, performance, or other technological characteristics of a system and are documented so that they can be evaluated and explained as to how they influence the cost estimate.

This support will include, but is not limited to, defending and documenting all cost analyses such as the development of time-phased PLCCEs, Section C of the Program's Acquisition Program Baselines (APBs); independent cost evaluations and assessments such as Business Case Analyses (BCAs), Economic Analyses, and Analysis of Alternatives (AoAs); cost risk/uncertainty analyses, trend analyses, variance analyses, and sensitivity analyses; Program Objective Memorandum/Program Review (POM/PR) budget submissions, support to a program milestone decision or decision reviews and gate reviews, development of acquisition strategies and other acquisition-related documentation normally required for major decision-making events; development of cost databases, cost estimating relationships (CERs) or cost factors; Cost

as an Independent Variable (CAIV) analyses; Integrated Program Management (IPM) analyses or other unique cost reporting for major Acquisition Category (ACAT) Programs. All cost estimating, analysis, and IPM support will be performed following current SPAWAR 1.6 Cost Review Board (CRB) and IPM Processes.

#### 4.0 APPLICABLE DOCUMENTS and DIRECTIVES

The Contractor shall adhere to the following documents, or latest versions, in accordance with paragraph 5.0, Performance Requirements:

Document Type	No. Version	Title	Date
DoN		DoN TOC Guidebook Policy and Responsibilities	Feb 2012
DoD	MIL-STD-881C	Work Breakdown Structures for Defense Materiel Items	03 Oct 2011
SPAWARINST	7720.4E	Policy and Responsibilities For SPAWAR Cost Estimating and Analysis Division (SPAWAR 1.6)	02 May 2011
USD (AT&L)		Implementation of Will-Cost and Should-Cost Management	22 Apr 2011
SPAWARINST	5000.19C	Earned Value Management	08 Apr 2011
OSD (A)	Memo	Memorandum Authorizing IPMR Data Item Description	19 June 2012
USD (AT&L)	DI-MGMT-81861	Integrated Program Management Report (IPMR) Data Item description (DID)	19 Jun 2012
USD (AT&L)	Working Draft	IPMR Implementation Guide	31 July, 2012

USD (AT&L)		Use of EVM in the DoD	03 Jul 2007
USD (AT&L)		EVM Requirements and Reporting	27 Aug 2008
SPAWAR Memo	Ser 1.6/514	Managing with Earned Value at SPAWAR Systems Centers	28 Nov 2007
DOD	Guide Version 9 Oct 2005	IMP & IMS Preparation and Use Guide	21 Oct 2005
USD (AT&L)		Better Buying Power: Mandate for Restoring Affordability and Productivity in Defense Spending	28 June 2010
ASN (RDA)		DoN Interim Guidance for Probability of Program Success (PoPS) Implementation	19 Feb 2008
SECNAVINST	5223.2	DEPARTMENT OF THE NAVY COST ANALYSIS	16 Dec 2008
SECNAVINST	5400.15C	DoN Research and Development, Acquisition, Associated Life-Cycle Management, and Logistics Responsibilities and Accountability	13 Sept 2007
SECNAVINST	5420	(Draft) DoN Cost Analysis Improvement Group (CAIG)	08 Apr 2004
DoD Directive	5000.4-M	Cost Analysis Guidance and Procedures	11 Dec 1992
Revised Section 508	29 U.S.C. § 794d	Rehabilitation Act of 1973	1973

## 5.0 PERFORMANCE REQUIREMENTS

The contractor shall perform within the timeframe and formats assigned, meet the quality and technical requirements of SPAWAR 1.6, and submit work that is accurate and complete. The contractor shall perform the following tasks in accordance with the directives listed in Section 4.0 Applicable Directives where appropriate with particular emphasis to the SPAWAR 1.6 CRB Process. See Attachment A for Definitions. Major accomplishments to any of the tasks, listed in Sections 5.1, 5.2 or 5.3 below, shall be provided to the applicable portfolio leads or the EVM Branch Head on the following Tuesday.

The contractor shall ensure that only FAM approved applications are integrated, installed or operated on Navy networks. The contractor shall ensure that all databases that use database management systems (DBMS) designed, implemented, and/or hosted on servers and/or mainframes supporting Navy applications and systems be registered in DADMS and are FAM approved. All integrated, installed, or operational applications hosted on Navy networks must also be registered in DADMS and approved by the FAM. No operational systems or applications will be integrated, installed, or operated on the RDT&E network

## **5.1 Cost Estimating and Analysis**

**5.1.1 Program Life Cycle Cost Estimates (PLCCEs) (OMN)** The contractor shall maintain “time-phased” PLCCEs and technical evaluations and assist in the development of Acquisition Strategies, Program Decision Documents, or other acquisition-related documentation to include APBs for all programs post Milestone C, or programs in sustainment. The effort shall include performing a risk and uncertainty analysis that provides a probabilistic distribution of potential cumulative cost outcomes.

**5.1.2 Program Life Cycle Cost Estimates (PLCCEs) (RDTEN)** The contractor shall develop “time-phased” PLCCEs and technical evaluations and assist in the development of Acquisition Strategies, Program Decision Documents, or other acquisition-related documentation to include APBs for those programs in the development acquisition phase. The effort shall include performing a risk and uncertainty analysis that provides a probabilistic distribution of potential cumulative cost outcomes.

**5.1.3 Cost Drivers (OMN)** The contractor shall maintain the identification and quantification of system and subsystem cost drivers based on the Program’s technical and programmatic definition and results generated in the PLCCE for all programs post Milestone C or programs in sustainment.

**5.1.4 Cost Drivers (RDTEN)** The contractor shall develop and quantify system and subsystem cost drivers based on the Program’s technical and programmatic definition and results generated in the PLCCE for those programs in the development acquisition phase.

**5.1.5 Should Cost Analysis (OMN)** The contractor shall maintain “should cost” analyses for those programs post Milestone C or programs in sustainment. The contractor shall assist in justifying each element of program cost savings based on the program office’s proposed initiatives.

**5.1.6 Should Cost Analysis (RDTEN)** The contractor shall develop “should cost” analyses for those programs in the development acquisition phase. The contractor shall assist in justifying each element of program cost and show how it should improve year by year based on the program office’s proposed initiatives.

**5.1.7 7300 Submissions (OMN)** The contractor shall maintain and support 7300 submissions. 7300 estimates will cover the cost associated with product support and product delivery/integration support or ship integration for those programs post Milestone C or programs in sustainment. The product estimates will use existing PLCCE information and methodologies as a basis for the 7300 estimates.

**5.1.8 7300 Submissions (RDTEN)** The contractor shall support the development of 7300 submissions for programs in the development acquisition phase. 7300 estimates will cover the cost associated with initial product and product development for ship integration. The product estimates will use existing PLCCE information and methodologies as a basis for the 7300 estimates.

**5.1.9 7300 Submissions (SCN)** The contractor shall support the preparation of 7300 submissions for new construction ships or platforms. 7300 estimates will cover the cost associated with product for ship integration. The product estimates will use existing PLCCE information and methodologies as a basis for the 7300 estimate.

**5.1.10 7300 Submissions (NDSF)** The contractor shall support the preparation of 7300 submissions for new construction Military Sealift ships or platforms. 7300 estimates will cover the cost associated with product and product delivery/integration support or ship integration.

The product estimates will use existing PLCCE information and methodologies as a basis for the 7300 estimate.

**5.1.11 Production Cost Estimating (OPN)** The Contractor shall provide Production Support to the production and manufacturing process by evaluating the manufacturing costs and independently estimating future production costs to ensure the manufacturing process is within cost limits. The contractor shall report findings to the Production IPT and incorporate findings into the PLCCE.

**5.1.12 Source Selection (OMN)** Contingent upon SPAWAR 00 approval, and on a case by case basis, the contractor shall participate in Source Selections (in an advisory role) to assist in the support of cost realism analysis and the establishment of a fair and reasonable basis for contract negotiations.

**5.1.13 Source Selection (RDTEN)** Contingent upon SPAWAR 00 approval, and on a case by case basis, the contractor shall participate in Source Selections (in an advisory role) to assist in the development of cost realism analysis and the establishment of a fair and reasonable basis for contract negotiations to award a RDT&E contract.

**5.1.14 Cost Databases/Cost Estimating Relationships (CERs) (OMN)** The contractor shall support the maintenance of cost databases, CERs, cost factors, or other associated cost research generated from historical data, as well as assessing all other CERs and cost factors already prepared from available databases for programs post Milestone C or programs in sustainment. Each CER, cost factor, or any related cost research shall be sufficiently documented and include supporting cost rationale.

**5.1.15 Cost Databases/Cost Estimating Relationships (CERs) (RDTEN)** The contractor shall support the development of cost databases, CERs, cost factors, or other associated cost research generated from historical data, as well as assessing all other CERs and cost factors already prepared from available databases in the development of the PLCCE for those programs in the

development acquisition phase. Each CER, cost factor, or any related cost research shall be sufficiently documented and include supporting cost rationale.

**5.1.16 Cost as an Independent Variable (CAIV) (OMN)** The contractor shall maintain CAIV Plans for programs post Milestone C or programs in sustainment. The Contractor shall independently assess CAIV cost targets and the manufacturer's cost estimates associated with CAIV initiatives. The contractor shall report analysis findings, as required, but no less frequently than annually.

**5.1.17 Cost as an Independent Variable (CAIV) (OPN)** The contractor shall participate as a member of the production IPT validating the CAIV cost targets and the manufacturer's cost estimates associated with CAIV initiatives. As necessary, the contractor shall update the CAIV Plans for programs that are in the production phase of their life cycle.

**5.1.18 Cost as an Independent Variable (CAIV) (RDTEN)** The contractor shall develop CAIV Plans for programs in the development acquisition phase.

**5.1.19 Studies (OMN)** The contractor shall maintain studies by determining the cost implications of competing Technical, Operational, or Programmatic alternatives. The type of studies to be maintained includes, Economic Analysis, Business Case Analysis, Trade Studies, and other special studies. These studies will generate quantifiable alternative comparisons which will be considered by Navy decision makers for programs post Milestone C or programs in sustainment.

**5.1.20 Studies (RDTEN)** The contractor shall develop studies by determining the cost implications of competing Technical, Operational, or Programmatic alternatives. The type of studies to be conducted includes, Economic Analysis, Analysis of Alternatives, Business Case Analysis, Trade Studies, and other special studies. These studies will generate quantifiable alternative comparisons which will be considered by Navy decision makers for programs in the development acquisition phase.



## **5.2 Integrated Program Management (IPM)**

**5.2.1 Earned Value Management Requirements (OMN)** The contractor shall assure the appropriate requirements for IPMR/EVM reporting are maintained and, if necessary, updated for program office to include them in the applicable Request for Proposal (RFP) and contract. IPMR/EVM requirements include applicable SOW wording and CDRLs. All documents are to be vetted through SPAWAR 1.6 before forwarding to the program office.

**5.2.2 Earned Value Management Requirements (RDTEN)** The contractor shall assure the appropriate requirements for IPMR/EVM reporting are developed and provided to the program office for inclusion in the applicable Development Phase Request for Proposal (RFP) and contract. IPMR/EVM requirements include applicable SOW wording and CDRLs. All documents are to be vetted through SPAWAR 1.6 before forwarding to the program office.

**5.2.3 Integrated Baseline Review (IBR) (OMN)** The contractor shall support the Integrated Baseline Review (IBR) process, maintaining plans, coordinating, supporting the IBR event, and monitoring the close-out of all action items. The contractor will support any analysis conducted to assess the adequacy of the vendor contractor's (or government site) baseline implementation, including an Over Target Baseline (OTB) or Over Target Schedule (OTS).

**5.2.4 Integrated Baseline Review (IBR) (RDTEN)** The contractor shall support the Integrated Baseline Review (IBR) process, developing plans, coordinating, supporting the IBR event, and monitoring the close-out of all action items on development phase contracts. The contractor shall support any analysis conducted to assess the adequacy of the vendor contractor's (or government site) baseline implementation, including an Over Target Baseline (OTB) or Over Target Schedule (OTS) for development acquisition phase contracts.

**5.2.5 Earned Value Management Analysis (OMN)** The contractor shall maintain in-depth analyses of IPM/EVM information and reports required to support planning and acquisition of programs addressing all IPM/EVM (i.e., cost, schedule, and technical performance) issues; acquiring necessary technical, programmatic, and cost information; preparing the analysis; preparing independent Estimates at Completion (EAC); assessing the validity of the data and

information; and communicating the findings to the program office. Analysis reports shall be maintained using the SPAWAR 1.6 templates and delivered on a monthly basis. Reports are due to the program office within 7 working days of Integrated Program Management Report (IPMR) CDRL deliveries. If applicable, the contractor will manage/maintain all facets of the DoD Central Repository, ensuring that all IPMR CDRL delivery events are entered into the Repository, and that all IPMR CDRLs are delivered to the Repository according to CDRL requirements. IPMR CDRL delivery events for the year shall be entered at the beginning of the vendor contractor's fiscal year.

**5.2.6 Earned Value Management Analyses (RDTEN)** The contractor shall develop in-depth analyses of IPM/EVM information and reports required to support planning and acquisition of a program post Milestone A or B, or in support of Gate Reviews 1, 2, or 3, addressing all IPM/EVM (i.e., cost, schedule, and technical performance) issues; acquiring necessary technical, programmatic, and cost information; modeling, researching, and preparing the analyses; preparing independent Estimates at Completion (EAC); assessing the validity of the data and information; and communicating the findings to the program office. These analyses shall be conducted on applicable development phase activities. Analysis reports shall be prepared using the SPAWAR 1.6 templates and delivered on a monthly basis. Reports are due to the program office within 7 working days of Integrated Program Management Report (IPMR) CDRL deliveries. If applicable, the contractor will manage/maintain all facets of the DoD Central Repository, ensuring that all IPMR CDRL delivery events are entered into the Repository, and that all IPMR CDRLs are delivered to the Repository according to CDRL requirements. Central Repository IPMR CDRL delivery events for the year shall be entered at the beginning of the vendor contractor's fiscal year.

**5.2.7 Earned Value Management Reporting (OMN)** The contractor shall update IPM/EVM inputs to all post Milestone C acquisition reports, including the Defense Acquisition Report (DAES), the Selected Acquisition Report (SAR), and the Dashboard. The contractor shall update the IPM/EVM inputs to the SPAWAR "Early Warning System," and coordinate and deliver program office and Contracts' comments to SPAWAR 1.6.

**5.2.8 Earned Value Management Reporting (RDTEN)** The contractor shall develop IPM/EVM inputs for programs in their development acquisition phase, including the Defense Acquisition Report (DAES), the Selected Acquisition Report (SAR), and the Dashboard for all programs in Milestone A, B, and pre-Milestone C, as required by the program office. The contractor shall supply IPM/EVM inputs to the SPAWAR “Early Warning System,” and coordinate and deliver program office and Contracts’ comments to SPAWAR 1.6.

**5.2.9 Surveillance (OMN)** The contractor shall maintain and update the IPM portion of DCMA MOAs. The contractor shall support compliance audits conducted to assess the adequacy of the contractor’s (or government site) EVM Systems as well as DCMA system surveillance.

**5.2.10 Surveillance (RDTEN)** The contractor shall develop the IPM portion of DCMA MOAs. The contractor shall support compliance audits conducted to assess the adequacy of the contractor’s (or government site) EVM Systems as well as DCMA system surveillance on development acquisition phase activities.

**5.2.11 Earned Value Management Implementation (OMN)** The contractor shall serve as a member of a team, led by SPAWAR 1.6, providing guidance to Government entities during the maintenance of an Earned Value Management System (EVMS).

**5.2.12 Earned Value Management Implementation (RDTEN)** The contractor shall serve as a member of a team, led by SPAWAR 1.6, providing guidance to Government entities during the planning, development, and implementation of an EVMS on development phase activities.

**5.2.13 Schedule – Management Reviews (OMN)** The contractor shall participate as a team member that supports Integrated Baseline Reviews, Schedule Risk Assessments or other management reviews for programs post Milestone C or programs in sustainment. The contractor is responsible for providing technical guidance to team members during the conduct of these reviews. The contractor will support any analysis conducted to assess the adequacy of the vendor’s baseline implementation, including an Over Target Baseline (OTB) or Over Target Schedule (OTS). The contractor maintains and supports the preparation of the final report,

preparing written recommendations. The contractor supports the preparation of a briefing to the program office for the purpose of highlighting, in summary form, the final decisions reached by the review team.

**5.2.14 Schedule - Management Reviews (RDTEN)** The contractor shall participate as a team member that supports Integrated Baseline Reviews, Schedule Risk Assessments or other management reviews for programs in the development acquisition phase. The contractor is responsible for planning, organizing, and providing technical guidance to team members during the conduct of these reviews. The contractor will support the development of any analysis conducted to assess the adequacy of the vendor's baseline implementation, including an Over Target Baseline (OTB) or Over Target Schedule (OTS). The contractor supports the development of the final report, preparing written recommendations. The contractor supports the development of a briefing to the program office for the purpose of highlighting, in summary form, the final decisions reached by the review team.

**5.2.15 Schedule – Performance Analysis (OMN)** The contractor, in conjunction with the IPM/EVM analyst, shall perform schedule analysis to assess schedule network logic health, along with maintaining and updating schedule progress reports, analysis and trending charts for post Milestone C programs or programs in sustainment. The contractor shall conduct in-depth analyses of government or contract schedules, information, and reports to provide the program office with insight into the schedule performance with respect to program resources and the program technical baseline. The contractor is responsible for addressing all schedule and technical performance issues; and preparing the analysis; coordinating it through SPAWAR 1.6 and communicating and presenting the findings to the program office, as requested. Monthly reports are to be incorporated with the monthly IPM/EVM analysis briefs, if applicable, and are due to the program office within 7 working days of IPMR CDRL deliveries.

**5.2.16 Schedule – Performance Analysis (RDTEN)** The contractor, in conjunction with the IPM/EVM analyst, shall develop schedule analysis to assess schedule network logic health, along with preparing and presenting schedule progress reports, analysis and trending charts for

programs in the development acquisition phase. The contractor shall develop in-depth analyses of government or contract schedules, information, and reports to provide the program office with insight into the schedule performance with respect to program resources and the program technical baseline. The contractor is responsible for addressing all schedule and technical performance issues; acquiring necessary technical, programmatic information; modeling, researching, and preparing the analysis; coordinating it through SPAWAR 1.6 and communicating the findings to the program office, as requested. Monthly reports are to be incorporated with the monthly IPM/EVM analysis briefs, if applicable, and are due to the program office within 7 working days of IPMR CDRL deliveries.

**5.2.17 Schedule – EVMS Surveillance (OMN)** The contractor shall support schedule related compliance audits conducted to assess the adequacy of the contractor’s (or government site) EVM Systems as well as DCMA system surveillance for programs post Milestone C or programs in sustainment.

**5.2.18 Schedule – EVMS Surveillance (RDTEN)** The contractor shall support schedule related compliance audits conducted to assess the adequacy of the contractor’s (or government site) EVM Systems as well as DCMA system surveillance for programs in the development acquisition phase.

**5.2.19 Schedule – EVMS Implementation (OMN)** The contractor shall serve as a member of a team, led by SPAWAR 1.6, providing schedule related guidance to Government entities during the maintenance and updating of an EVMS for programs post Milestone C or programs in sustainment.

**5.2.20 Schedule – EVMS Implementation (RDTEN)** The contractor shall serve as a member of a team, led by SPAWAR 1.6, providing schedule related guidance to Government entities during the planning, development, and implementation of an EVMS for programs in the development acquisition phase.

**5.2.21 Schedule – Requirements (OMN)** The contractor shall assure the appropriate requirements for schedule related IPM reporting are maintained, updated, and supplied to the program office for inclusion in the applicable Request for Proposal (RFP) and contract for post Milestone C programs or programs in sustainment. Schedule-related requirements include applicable SOW, Section L, Section M and CDRL wording, tailored if appropriate. All documents are to be coordinated with the IPM/EVM analyst and vetted through SPAWAR 1.6 before forwarding to the program office.

**5.2.22 Schedule – Requirements (RDTEN)** The contractor shall assure the appropriate requirements for schedule related IPM reporting are developed and supplied to the program office for inclusion in the applicable RFP and contract for programs in the development acquisition phase. Schedule-related requirements include applicable SOW, Section L, Section M and CDRL wording. All documents are to be coordinated with the IPM/EVM analyst and vetted through SPAWAR 1.6 before forwarding to the program office.

**5.2.23 Schedule – Risk Assessment (OMN)** The contractor shall maintain and update schedule risk assessments (SRA) on vendor or government integrated master schedules (IMS) using a quantified schedule risk assessment technique to determine program-level schedule risk as a function of risk associated with various activities that compose the program for post Milestone C programs or programs in sustainment. The contractor will work with technical program team members to maintain and update probability distributions for program activity durations and will use these distributions in a Monte Carlo simulation of the schedule to derive a probability distribution of total project completion or other key program milestones. As required, the contractor supports the preparation of a report, preparing appropriate charts and written recommendations.

**5.2.24 Schedule – Risk Assessment (RDTEN)** The contractor shall develop a schedule risk assessment (SRA) on vendor or government integrated master schedules (IMS) using a quantified schedule risk assessment technique to determine program-level schedule risk as a function of risk associated with various activities that compose the program. The contractor will work with technical program team members to develop probability distributions for program

activity durations and will use these distributions in a Monte Carlo simulation of the schedule to derive a probability distribution of total project completion or other key program milestones. The contractor shall identify the activities or paths most likely to delay the post Milestone A or B program for targeted risk mitigation. As required, the contractor supports the development of a report, developing appropriate charts and written recommendations.

### **5.3 Program Management Organization Support**

**5.3.1 Cost Analysis Requirements Description (CARD) (OMN)** Critical to the cost estimate is a well-defined program documented in a CARD. The CARD provides information on the following: system mission, technical and performance characteristics, work breakdown structure, legacy systems, acquisition strategy, quantities, test and evaluation plan, training plan, disposal plan, operational concept, logistics support, personnel requirements, and deltas from previous technical baselines, in addition to other data. The contractor shall support the maintenance and update of the CARD for Programs requiring post Milestone C PLCCE updates. The contractor shall support CARD updates consistent with the guidance and limitations described in DOD 5000.4-M (specifically, the analyst developing the cost estimate may not develop the CARD for the same task). The contractor shall assist the CARD team in the updating and reviewing of the document, coordinating revisions, and communicating all findings with the CARD team, Program Office, and other working groups. Specific efforts will focus on ensuring the technical and programmatic information described in the CARD tracks within the PLCCE. This effort will support cost reconciliation with the Service Cost Agency and/or the OSD CAPE staff, as required.

**5.3.2 Cost Analysis Requirements Description (CARD) (RDTEN)** Critical to the cost estimate is a well-defined program documented in a CARD. The CARD provides information on the following: system mission, technical and performance characteristics, work breakdown structure, legacy systems, acquisition strategy, quantities, test and evaluation plan, training plan, disposal plan, operational concept, logistics support, personnel requirements, and deltas from previous technical baselines, in addition to other data. The contractor shall support the development of the CARD for all Programs in the development acquisition phase requiring PLCCEs. The contractor shall support CARD development consistent with the guidance and limitations

described in DOD 5000.4-M (specifically, the analyst developing the cost estimate may not develop the CARD for the same task). The contractor shall assist the CARD team in the development and reviewing the document, coordinating revisions, and communicating all findings with the CARD team, Program Office, and other working groups. Specific efforts will focus on ensuring the technical and programmatic information described in the CARD tracks within the PLCCE. This effort will support cost reconciliation with the Service Cost Agency and/or the OSD CA CAPE staff as the program office seeks approval of its milestone decision.

**5.3.3 Program Risks (OMN)** The contractor shall assist in the preparation of, or independently assess, program risk, trend analysis, variance analysis, sensitivity analysis, required metrics tracking, and other cost-related reporting and documentation requirements. This effort shall be performed in support of programs post-Milestone C reviews or programs in sustainment.

**5.3.4 Program Risks (RD TEN)** The contractor shall assist in the development of, or independently assess, program risk, trend analysis, variance analysis, sensitivity analysis, required metrics tracking, and other cost-related reporting and documentation requirements. This effort shall be performed in support of programs in the development acquisition phase.

**5.3.5 Integrated Product Team (IPT) (OMN)** The contractor shall support overarching IPT meetings and reviews as required. Overarching IPTs include the Naval Center for Cost Analysis (NCCA), Assistant Secretary of the Navy for Research Development and Acquisition (ASN RDA), the OSD Cost Assessment and Program Evaluation (CAPE), and other DoD-wide Cost Working Groups for post Milestone C programs or programs in sustainment.

**5.3.6 Integrated Product Team (IPT) (RD TEN)** The contractor shall support overarching IPT meetings and reviews as required. Overarching IPTs include the Naval Center for Cost Analysis (NCCA), Assistant Secretary of the Navy for Research Development and Acquisition (ASN RDA), the OSD CAPE, and other DoD-wide Cost Working Groups to support programs in the development acquisition phase.



**5.3.7 Risk Mitigation (OMN)** The contractor shall update risk mitigation and management plans for programs post Milestone C or programs in sustainment.

**5.3.8 Risk Mitigation (RDTEN)** The contractor shall develop risk mitigation and management plans for programs in the development acquisition phase.

**5.3.9 Unit Cost Reports (UCRs) (OMN)** The contractor shall update, quarterly, Unit Cost Reports (UCRs) for programs post Milestone C.

**5.3.10 Unit Cost Reports (UCRs) (RDTEN)** The contractor shall develop quarterly Unit Cost Reports (UCRs) for programs in the development acquisition phase or Major Defense Acquisition Program (MDAP) designation.

**5.3.11 Selected Acquisition Reports (SARs) (OMN)** The contractor shall assist ACAT I programs in updating Selected Acquisition Reports (SARs) for those programs following a Milestone C FRP Decision Review (DR). SARs will be prepared annually thereafter, or at the end of the quarter following either Milestone C FRP Decision Review (DR) or an APB breach.

**5.3.12 Selected Acquisition Reports (SARs) (RDTEN)** The contractor shall assist ACAT I programs in the development of Selected Acquisition Reports (SARs) at Milestone B, and annually thereafter, or at the end of the quarter following an APB breach.

**5.3.13 Defense Acquisition Executive Summary (DAES) Reports (OMN)** The contractor shall assist ACAT I programs in updating the Defense Acquisition Executive (DAES) Reports. DAES Reports will be prepared quarterly, upon POM or Budget Estimate Submission (BES), or upon a unit cost breach.

**5.3.14 Defense Acquisition Executive Summary (DAES) Reports (RDTEN)** The contractor shall assist ACAT I programs in the development of Defense Acquisition Executive (DAES) Reports for MDAPS and MAIS programs. DAES Reports will be developed in support of a Milestone A and/or B Decision, quarterly, upon POM or BES, or upon a unit cost breach.

**5.3.15 Schedule – Maintain Program Schedules (OMN)** The contractor is responsible for maintaining and updating Integrated Master Schedules (IMS) for multi-discipline program teams to manage program objectives and to handle scheduling issues as they apply to schedule revisions and maintenance of them for programs post Milestone C or programs in sustainment. This includes integrating schedule activities from external sources such as contractor or other government organizations. This will require facilitating project scheduling/planning meetings as required by the project team.

The contractor shall utilize DOD and program specific source documents (SOW, IMP, WBS, and OBS) and information gathered from program teams to develop an integrated master schedule. The contractor should understand Critical Path Methodology (CPM) and be able to establish a program network schedule capable of producing a valid critical path. Along with establishing a critical path, near critical path and driving paths, the scheduler will make recommendations to appropriately manage float to achieve program milestones dates. Working in conjunction with the program teams, the scheduler will need to establish a schedule baseline to monitor and report variances to the baseline to program leadership; establish/maintain business rhythms in order to update the IMS to ensure schedule requirements are being met; prepare and provide schedule progress reports on a routine basis; and maintain record of scope changes, trends and variances that potentially affect schedule performance.

**5.3.16 Schedule – Develop Program Schedules (RDTEN)** The contractor is responsible for developing IMS for multi-discipline program teams to manage program objectives and to handle scheduling issues as they apply to schedule revisions for those programs in the development acquisition phase. This includes developing and integrating schedule activities from external sources such as contractor or other government organizations that may require facilitating project scheduling/planning meetings as required by the project team.

The contractor shall utilize DOD and program specific source documents (SOW, IMP, WBS, and OBS) and information gathered from program teams to develop an integrated master schedule. The contractor should understand Critical Path Methodology (CPM) and be able to establish a program network schedule capable of producing a valid critical path. Along with establishing a

critical path, near critical path and driving paths, the scheduler will make recommendations to appropriately manage float to achieve program milestones dates. Working in conjunction with the program teams, the scheduler will need to establish a schedule baseline to monitor and report variances to the baseline to program leadership; establish/maintain business rhythms in order to update the IMS to ensure schedule requirements are being met; prepare and provide schedule progress reports on a routine basis; and maintain record of scope changes, trends and variances that potentially affect schedule performance.

## 6.0 DELIVERABLES

The contractor shall provide the following deliverables in accordance with the timeframe specified. Deliverable formats shall be provided, in Microsoft (MS) Office formats, or proposed formats by the contractor and approved by the Cost Estimating and Analysis Code.

<b>Deliverables:</b>	<b>Due Date:</b>
Monthly Status Report (MSR) (CDRL A001)	- 15th day of following period.
PLCCEs, associate analyses, supporting documentation and cost rationale (ref: 5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.1.5, 5.1.6, 5.1.7, 5.1.8, 5.1.9, 5.1.10, 5.1.11)	- Upon Approval of the SPAWAR 1.6 CRB
Source Selection (ref: 5.1.12, 5.1.13)	- Analysis will be provided to Source Selection Cost Lead, as required
Cost Databases, CER, or cost factor development (ref: 5.1.14, 5.1.15)	- As required
CAIV Plans (ref. 5.1.16, 5.1.17, 5.1.18)	- Milestone A & B, or updated, as required
Studies (ref: 5.1.19, 5.1.20)	- Upon Approval of the SPAWAR 1.6 CRB
IPM/EVM Requirements (ref: 5.2.1, 5.2.2)	- To the Program Office, as required. - To SPAWAR 1.6, three working days before required Program Office submissions.
IPM/EVM Analysis (ref: 5.2.5, 5.2.6)	- Monthly to the Program Office, within 7 working days of the IPMR CDRL delivery
IPM/EVM Reporting (5.2.7, 5.2.8)	- DAES, SAR and Dashboard inputs to the Program Office, as required (i.e., quarterly, annually, etc.) - SPAWAR Early Warning System inputs monthly to SPAWAR 1.6 per the process schedule
IPM/Schedule - Management Review Decision Briefs (ref: 5.2.13, 5.2.14)	- To the Program Office as required

<b>Deliverables:</b>	<b>Due Date:</b>
IPM/Schedule Performance Analysis (ref: 5.2.15, 5.2.16)	- Monthly to the Program Office, within 7 working days of the IPMR CDRL delivery
IPM/Schedule Requirements (ref: 5.2.21, 5.2.22)	- To the Program Office, as required. - To SPAWAR 1.6, three working days before required Program Office submissions.
Schedule Risk Assessment (ref: 5.2.23, 5.2.24)	- To the Program Office, as required (i.e. in support of Milestone Reviews, IBRs, Program Reviews.
CARD (ref: 5.3.1, 5.3.2)	- Upon Approval by SPAWAR 4.0 and SPAWAR 5.0 organizations, Draft CARD provided to SPAWAR 1.6, as required
Program Risk and Risk Mitigation (ref: 5.3.3, 5.3.4, 5.3.7, 5.3.8)	- Prior to Risk Review Board, Milestone Decision or a Gate Review
UCRs, SARs, and DAES Reports (ref: 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.13, 5.3.14)	Milestone A and/or B, Quarterly, or as required
Integrated Product Teams (IPTs) (ref: 5.3.5, 5.3.6)	As required

## 7.0 SECURITY

The nature of this task requires access up to SECRET information. The work performed by the contractor will include access up to SECRET data, information, and spaces. The contractor will be required to attend meetings classified up to the SECRET level.

Contractor personnel assigned to perform work under this contract may require access to Navy Enterprise Resource Planning (Navy ERP) System. Prior to accessing any Navy ERP System, contractor personnel shall provide justification and complete all required Non-Discloser Agreements and comply with all Organizational Conflict of Interest requirements. Once approval to gain access is granted, the contractor shall contact the applicable Navy, Marine Corps Internet (NMCI), and Assistant Customer Technical Representative (ACTR) and obtain an NMCI account. ACTR's can be found on the NMCI Homeport website at:

[https://nmcicustomerreporting/CTR\\_Lookup/index.asp](https://nmcicustomerreporting/CTR_Lookup/index.asp). Once an NMCI account has been established, the contractor shall submit a request for Navy ERP access and the role required via the Contracting Officers Representative (COR) to the Competency Role Mapping POC. The COR will validate the need for access, ensure all prerequisites are completed, and with the assistance of the Role Mapping POC, identify the Computer Based Training requirements needed to perform the role assigned. Items to have been completed prior to requesting a role for

Navy ERP include: Systems Authorization Access Request (SAAR-N), DD Form 2875, Oct 2007, Annual Information Assurance (IA) training certificate and SF85P. (b) For this procedure, reference to the COR shall mean the PCO for contracts that do not have a designated COR. For directions on completing the SF85P, the contractor is instructed to consult with their company's Security Manager. In order to maintain access to required systems, the contractor shall ensure completion of annual IA training, monitor expiration of requisite background investigations, and initiate re-investigations as required.

For DoD Information Assurance Awareness training please use this site:

<http://iase.disa.mil/index2.html>

DIRECTIONS: On the right side under "IA Training:" select "IA Training Available Online". On the next page select the frame with "DoD Information Assurance Awareness". When the next page comes up, select "Launch DoD Information Assurance Awareness".

## **8.0 GOVERNMENT FURNISHED INFORMATION**

The Government will provide information for the performance of this Task Order including prior Program Life Cycle Cost Estimates, Cost Analysis Requirements Descriptions, Contractor Performance Reports, Integrated Program Management Reports etc. The government does not authorize the contractor to procure any NMCI seats as part of this Task Order.

## **9.0 Contract/Delivery Order Program Management and Administration:**

Funding for this procurement will be obtained from various SPAWAR Program Offices, and as necessary from SPAWAR 1.6. No permanent funding will be provided through SPAWAR 1.6. Tasking for this effort will not occur until the various Program Offices identify their needs and funding is provided and available. We anticipate that the level of effort (hours) required for this effort will fluctuate throughout the performance periods. We anticipate a gradual ramping up of the level of effort, beginning in the base period. No initial staffing requirements have been identified.

The desired minimum Personnel Qualifications are provided as follows:

- **Senior Analyst:** Ten+ years of experience in their specific career field (Cost Estimating, Integrated Program Management (IPM)/Earned Value Management (EVM), or Scheduling). Works independently and trains and/or supervises Junior and Mid-Level staff. Serves as team leader for large projects. Performs a variety of directed tasks as detailed in the Performance Work Statement (PWS). Is certified in their specific career field (Cost Estimating or IPM/EVM) by a recognized professional society or educational organization (Career field specific DAWIA Level III, SCEA CCEA, AACE EVP or PMI). Cost Estimating Analyst should hold a Bachelor's Degree in any field, successfully completed three semester hours of calculus, and have completed twenty-one semester hours of course work in operations research, economics, math, chemistry, physics or other sciences where the utilization of advanced math skills in geometry, trigonometry, statistics, probability, and/or quantitative analysis is required.
- **Mid Analyst:** Five-Ten years of experience in their specific career field (Cost Estimating, Integrated Program Management (IPM)/Earned Value Management (EVM), or Scheduling). Performs a variety of directed tasks as detailed in the Performance Work Statement (PWS). Is certified in their specific career field (Cost Estimating or IPM/EVM) by a recognized professional society or educational organization (Career field specific DAWIA level II, SCEA PCEA, AACE EVP or PMI). Cost Estimating Analyst

should hold a Bachelor's Degree in any field, successfully completed three semester hours of calculus, and have completed twenty-one semester hours of course work in operations research, economics, math, chemistry, physics or other sciences where the utilization of advanced math skills in geometry, trigonometry, statistics, probability, and/or quantitative analysis is required.

- **Junior Analyst:** Less than Five years of experience in their specific career field (Cost Estimating, Integrated Program Management (IPM)/Earned Value Management (EVM), or Scheduling). Works under the direct supervision of Mid or Senior Analysts. Performs a variety of directed tasks as detailed in the Performance Work Statement (PWS). Cost Estimating Analyst should hold a Bachelor's Degree in any field, successfully completed three semester hours of calculus, and have completed twenty-one semester hours of course work in operations research, economics, math, chemistry, physics or other sciences where the utilization of advanced math skills in geometry, trigonometry, statistics, probability, and/or quantitative analysis is required.

## 9.1 BEST PRACTICES

Work performed by the contractor shall provide support to SPAWAR command-level "best practices" principles, policies. As applicable to this tasking, the contractor will adhere to the current version of:

- SPAWAR 1.6 Cost Review Board and Early Warning System Processes
- SPAWAR Competency Aligned Organization Concept of Operations (CAO CONOPS)
- DoN Cost Estimating Guide
- Defense Acquisition Guidebook (DAG)
- GAO Cost Estimating and Assessment Guide
- International Function Point Users Group (IFPUG)
- SPAWAR Cost Estimating Work Breakdown Structure (WBS) Cost Estimating Template (CET)
- Earned Value Management Implementation Guide (EVMIG)
- SPAWAR Business Financial Managers (BFM) Manual
- SPAWAR Program Manger's (PM) Handbook

- Center for Earned Value Management (CEVM) Integrated Baseline Review (IBR) Toolkit
- CEVM EVM Contracts Requirement Toolkit
- CEVM Analysis Toolkit

## **9.2 Quality Assurance Surveillance Plan (QASP)**

The QASP titled “SPAWAR 1.6 Cost Estimating and Analysis Support Services” identifies the criteria and surveillance methods used to measure the contractor’s quality of performance for the tasks described in Section 5.

## **9.3 Contractor Employee Identification**

For all services provided by the Contractor under this PWS and associated Task Order, the Contractor's employees shall identify themselves as contractor personnel by introducing themselves or being introduced as contractor personnel and displaying distinguishing badges or other visible identification for meetings with Government personnel. Additionally, the Contractor's personnel shall appropriately identify themselves as contractor employees in telephone conversations and in formal and informal written correspondence.



**9.4** The Government shall neither supervise contractor employees nor control the method by which the contractor performs the required tasks. Under no circumstances shall the Government assign tasks to, or prepare work schedules for, individual contractor employees. It shall be the responsibility of the contractor to manage its employees and to guard against any actions that are of the nature of personal services, or give the perception of personal services. If the contractor believes that any actions constitute, or are perceived to constitute personal services, it shall be the contractor's responsibility to notify the Procuring Contracting Officer (PCO) immediately. The contractor shall establish clear organizational lines of authority and responsibility to ensure effective management of the resources assigned to the requirement. The contractor must maintain continuity between the support operations at San Diego, CA and the contractor's corporate offices.

## **10.0 TRAVEL**

The contractor shall perform the tasking at SPAWAR offices, other Government agencies, or at contractor facilities, as required that are primarily located within San Diego, CA and Washington DC areas. The Contractor will be required to meet the need for tasking in all locations with personnel from the local area or ones located in other cities within the United States. For personnel that do not reside in the local area, travel expenses will be authorized on a case-by-case basis. It is also anticipated that occasional travel will be required as requested to attend meetings within CONUS, usually lasting one week. This travel will also be approved on a case-by-case basis. The traveling contractor will submit a written travel request (via an email) to the Contracting Officer's Representative (COR) prior to traveling. In situations where the written travel request has not been approved by the COR in advance of the contractor's travel, the contractor maybe responsible for their costs that was incurred. The Travel Request shall include the following:

- Travelers Name
- Name of specific Government Sponsor requesting the travel
- Program/Project Name travel is required for
- Applicable PWS Para #
- Reason for travel
- Duration of travel

- Dates of travel
- Travel cost estimate

## **Attachment A**

### **Definitions**

#### **Acquisition Program Baselines (APBs) (PWS Paragraph 5.1.1)**

The APB is an agreement between the PM, sponsor, and the Milestone Decision Authority (MDA). It is established to enhance program stability and to provide a critical reference point for measuring and reporting the status of program execution. It is a statutory (Title 10 U.S. Code) requirement to baseline the program.

#### **Analysis of Alternatives (AoAs) (PWS Paragraph 5.1.19)**

The AoA is the evaluation of the Operational Effectiveness (OE), Operational Suitability (OS) and estimated costs of alternative systems to meet a mission capability. The analysis assesses the advantages and disadvantages of alternatives being considered to satisfy capabilities, including the sensitivity of each alternative to possible changes in key assumptions or variables.

#### **Business Case Analysis (BCAs) (PWS Paragraph 5.1.19)**

A tool that supports planning and decision-making, including decisions about whether to buy, which vendor to choose, and when to implement.

#### **Cost Analysis Requirements Description (CARD) (PWS Paragraph 5.3.1)**

The CARD is a description of the salient features of the acquisition program and of the system itself. It is the common description of the technical and programmatic features of the program that is used by the teams preparing the Program Office Component Cost Analysis (CCA), and Independent Cost Estimate (ICE).

#### **Cost Driver (PWS Paragraph 5.1.3)**

A cost driver is defined as the controllable system design or planning characteristics that have a predominant effect on the system's costs. Those few items, using Pareto's law, that have the most significant cost impact.

### **Cost Estimating Relationships (CERs) (PWS Paragraph 5.1.14)**

A CER is a mathematical relationship that defines cost as a function of one or more parameters such as performance, operating characteristics, physical characteristics etc.

### **Cost as an Independent Variable (CAIV) (PWS Paragraph 5.1.16)**

CAIV is a methodology for reducing Life Cycle Cost and improving performance. It involves developing, setting, and refining aggressive unit production cost objectives and O&S objectives while meeting war fighter requirements. It is essential to involve the user community in the tradeoff process from the beginning to achieve the best outcome for all parties involved.

### **Economic Analysis (EA) (PWS Paragraph 5.1.19)**

A systematic approach to the problem of choosing how to use scarce resources. It reveals the present value of the monetary costs and benefits associated with all alternatives under consideration, and provides as accurate and complete picture as possible of nonmonetary costs and benefits.

### **Integrated Program Management (IPM) (PWS Paragraph 5.2)**

The disciplined approach to managing and measuring cost, schedule, and technical performance, the three fundamental program variables. IPM is concerned with how programs are managed rather than specific program goals and the IPM process is aimed directly at Program Managers and their technical staffs. To support effective program management and sound decision making, IPM integrates multi-functional disciplines and their associated activities including Schedule, Earned Value, Technical, and Risk Management.

### **Major Defense Acquisition Program (MDAP) (PWS Paragraph 5.3.10)**

An acquisition program that is not a highly sensitive classified program (as determined by Secretary of Defense) and that is designated by the Under Secretary of Defense (Acquisition and Technology) (USD(AT&L)) as an MDAP, or estimated by the USD(AT&L) to require an eventual total expenditure for Research, Development, Test, and Evaluation (RDT&E) of more than \$365 million in Fiscal Year (FY) 2000 constant

dollars or for procurement, of more than \$2.190 billion in Fiscal Year (FY) 2000 constant dollars.

**Naval Center for Cost Analysis (NCCA) (PWS Paragraph 5.3.5)**

NCCA is an organization that advises the SECNAV on matters relating to weapon system cost estimates and analysis for planning, financial management, and negotiation of major limited competition contracts, leads the DoN cost community in issues of cost policy and policy implementation, and prepares Independent Cost Estimates (ICEs) for ACAT IC/IA programs, upon request by the MDA or requested by other senior Navy executives.

**Office of Secretary of Defense Cost Analysis Improvement Group (OSD CAPE) (PWS Paragraph 5.3.1)**

The OSD CAPE is an organization within the Office of the Director, Program Analysis and Evaluation (PA&E) which advises the Defense Acquisition Board (DAB) on matters concerning the estimation, review, and presentation of cost analysis of future weapon systems. The CAIG also develops common cost estimating procedures for DoD.

**Program Life Cycle Cost Estimates (PLCCEs) (PWS Paragraph 5.1.1)**

A PLCCE represents the total cost to the government of acquisition and ownership of that system over its useful life. It includes the cost of development, acquisition, operations and support (to include manpower), and where applicable, disposal. For defense systems, Total Ownership Cost (TOC) is defined as Life Cycle Cost Estimate (LCCE).

**Program Risk (PWS Paragraph 5.3.3)**

Risk (uncertainty) analysis is an examination of each identified program risk which refines the description of the risk, isolates the cause, and determines the impact of the program risk in terms of its probability of occurrence, its consequences, and its relationship to other risk areas or processes.

**Risk Mitigation (PWS Paragraph 5.3.7)**

A Risk Mitigation/Management Plan is a document, which records the results of the risk planning process.

**Selected Acquisition Reports (SARs) (PWS Paragraph 5.3.11)**

A SAR is a standard, comprehensive, summary status reports on MDAPs required for periodic submission to Congress that includes key cost, schedule, and technical information.

**Sensitivity Analysis (PWS Paragraph 5.3.3)**

Sensitivity analysis is a tool for assessing the extent to which costs and benefits are sensitive to change. It provides a range of costs and benefits that are likely to be a better guide than the baseline estimate.

**Should Cost Analysis (PWS Paragraph 5.1.5)**

Should Cost Analysis is an examination of the set of program's initiatives or opportunities to reduce costs below the PLCCE level.

**7300 (PWS Paragraph 5.1.7)**

7300 is the form used for providing the estimate of costs associated with supplying hardware, software and integration services to NAVSEA for incorporating C4I systems on new construction ships.

**Unit Cost Reports (UCRs) (PWS Paragraph 5.3.9)**

A UCR is one of three reports to provide timely, consistent, and reliable information to Congress and DoD regarding the status of Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) programs in terms of cost, schedule, and technical performance

**Defense Acquisition Executive Summary (DAES) (PWS Paragraph 5.3.13)**

DAES is the principal mechanism for tracking programs between milestone reviews. A DAES report is provided by the program manager of a MDAP to the USD (AT&L) each calendar quarter.