

University of Houston  Clear Lake

EQUITABLE PRICE ADJUSTMENTS AND CLAIMS

SEPTEMBER 25-26, 2008

This high-intensity two-day workshop covers dozens of key issues for price adjustments and claims...

REGISTER TODAY ONLINE AT
www.camp-uhcl.org or
call 281.283.3133 or 281.283.3121



Co-Sponsor:
NCMA-SPACE CITY-HOUSTON CHAPTER

...That includes:

- Everything you need to know to successfully price contract claims
- Treatment of individual costs by the Federal Acquisition Regulations (FAR)
- Effects of substance requirements contract claim pricing
- Key elements of loss efficiency
- Nuts and bolts of change orders and various types of changes
- Things to consider when developing claims for delays and suspension of work
- Requirements to prove equitable adjustments to contracts
- Process for submitting claims

AND OTHER PRACTICAL TOOLS AND APPLICATIONS FOR ADDRESSING PRICE ADJUSTMENTS AND CLAIMS.

Your Comprehensive Two-day Workshop Will Be Filled With Practical, Powerful Tools, Techniques And Skills.

- **DISCOVER** how to successfully price contracts
- **MASTER** how to use the bases for equitable contract price adjustments
- **LEARN** how to apply three key methods for recovering extended overhead costs
- **DISCOVER** how and when to use the learning curve methods
- **BE AWARE** of congressional mandates for revised treatment of contract costs
- **BECOME** familiar with Eichleay Formula

Just look at the kinds of questions you'll have answered at this valuable workshop.

- Why submit a request for equitable contract price adjustment?
- How can a contractor benefit from requesting an equitable contract price adjustment?
- How do you negotiate claims?
- How are Cost Accounting Standards 401 and 402 applied to contract claims?
- How do you prepare a proposal for equitable contract price adjustment?

This unique workshop will answer these questions – and more. Add to your negotiating skills and contracting savvy – and success!

Who should attend:

- Price analysts and cost analysts
- Contract administrators
- Contracting officers
- Contract specialists
- Contract managers
- Subcontract buyers
- Anyone involved in contract performance
- Suitable for senior executives who must oversee or interface with those involved in the activities covered in this program

By the end of this two-day power-packed workshop, you will:

- Fully understand the major components of pricing and how the FAR treats individual costs
- Grasp, in practical terms, the full implications of claims
- Gain the analytical skills to apply appropriate strategies and techniques of pricing and claims in contracting with the Federal Government

What You Will Cover

Changes

- Formal and Informal Changes
- Delays, Disruptions and other Causes
- Prevent Correction to Buy-ins

Preparation Methodologies

- Detailed/Grassroots Estimating
- Total Cost
- Modified Total Costs

Preparation Costs

- Normal Accounting
- Cost Allowability

Certifications

- Truth-In-Negotiations Act
- Federal Acquisition Regulations (FAR) Indirect Costs and Claims

Pricing Scenarios

- Federal Work
- State and Local Government Work
- Private Contracting

Federal Pricing and Proposal Preparation Instructions

- Estimated and/or Actual Costs
- By Line Items
- Supporting Data
- Suitable for Detailed Analysis
- By Cost Elements
- Consistent with Accounting Systems
- FPRA, if applicable

Pricing Deductions

Change Order Accounting Procedures (FAR 43.203)

Pricing Direct Costs

- Labor Costs
- Materials
- Intercompany Transfers
- Equipment
- Other Direct Costs

Direct Labor Hours

- Consistency
- CAS Compliance
- Time Sheets or estimates
- Reasonableness
- Supporting Documents

Learning Curves

- Usage and concept
- Description of curve
- Elements of learning curves

Direct Labor Rates

- Actual Rates
- Competitive vs. Individual Rates
- Different Skills
- Premium Hires
- Rate Escalation
- Costly Skills

Materials and Subcontracts

- Current Prices
- Pricing Inventory
- Attrition
- CAS Compliance
- Non-recurring Costs
- Purchase Timing
- Cancellation Charges
- Accelerated Delivery

Direct costs – Travel costs

Equipment Costs/Construction Contracts

- Allowable Cost (FAR part 31)
- Idle facilities
- Special tooling and test equipment
- Loss of efficiency

Pricing Indirect Costs

- Consistent with disclosure statements
- CAS Compliance
- Costs allocation

Estimating Indirect Costs (FAR 31.201.2)

- Reasonable/Allocatable
- CAS and GAAP
- Contract terms
- Specific FAR coverage
- Time-Phased direct costs
- Forecast or budget by year
- Indirect cost impact

Unabsorbed and Extended Overhead

- Eichleay formula
 - Impact on other contracts
- ## Facilities Capital/Cost of Money
- CAS 414 compliance
 - Prescribed forms
 - Contract clauses
 - Agency treatment

Profit

- Interest/Attorney fees
- Profit or Fee on charges
- Profit guidelines
- Project analysis factors
- DOD profits policy
- Other agencies

Role of DCAA Proposal Review

Cost Allowability

- Allowability Criteria
- Reasonableness of costs

Allocatability

- Criteria
- Elements of allocatability

Indirect Cost Structures

- Indirect cost pools
- Criteria for establishing cost pools

Generally Unallowable Costs

- Advertising
- Bad debts

- Contributions and donations
- Fines, penalties and mischarging costs
- Interest and other financial costs
- Lobby and political activity
- Organization costs
- Goodwill costs
- Cost of alcoholic beverages
- Asset valuation
- Entertainment cost
- Legal and other proceedings
- Compensation for personal services
- Losses on other contracts
- Travel costs
- Taxes

Construction and Architect/Engineering

Contracts

Cost Accounting Standards

- Construction and Architect/Engineering Contracts
- Cost Accounting Standards 401, 402, 403, 410, 418
- Other Cost Accounting Standards 404-409, 411-413

Entitlement

- Change orders
- Constructive changes
- Cardinal changes
- Changes to and late or unsuitable Government property
- Differing site conditions
- Delays and disruptions

Work Stoppages

- Stop work orders
- Government delay of work
- Suspensions of work
- Excusable delays

Claims

- Definition of a claim
- When must a claim be filed
- Difference between a claim and equitable adjustment
- How to submit a claim
- How a claim is to be resolved
- Interest on claims
- Alternative Dispute Resolution

Packaging and Presenting the Claim

- Organization
- The Narrative Portion
- Calculations
- Charts and Attachments
- Certification Requirements
- Successful Presentation Techniques and Strategies
- Who Should Prepare
- The Claims Team
- Surviving an Audit

Equitable Price Adjustments and Claims

What will you get from this Workshop?

- Knowledgeable, dynamic seminar leaders with over 20 years of government contract experience
- Contemporary training techniques from an individual who designed and developed the program
- Hefty amount of workshop materials
- Continuing Education Units (CEU's of 1.4 or CPE's of 14 hours) at no additional cost
- An attractive certificate of completion
- Complementary breakfast pastries, coffee, lunch and refreshment breaks
- A group savings of \$100 for second and subsequent registrants from the same company

FAC Certificate Program at-a-glance

Having the University of Houston-Clear Lake's Federal Acquisition and Contracting (FAC) Certificate insures you and prospective employers that you have validated your procurement and contracting skills by successfully completing a series of tests, tests that will gauge your professional competency.

You may have up to 4 years to complete all the program requirements, after which you'll receive an official certificate from UHCL. The program requires 84 hours of classroom instruction, which consists of three core courses and at least three electives. It can be completed in as little as 3 years.

The best reason of all to attend – Your Seminar Leaders

Darrell J. Oyer, CPA and CPCM, is a nationally-known government contracts consultant with experience in the application and interpretation of the Federal Acquisitions Regulations and pronouncements from the Financial Accounting Standards Board and the Cost Accounting Standards Board.

Oyer's work in these areas includes developing, implementing and reviewing contractors' indirect cost structures, accounting systems, estimating systems and cost control systems to ensure compliance with federal procurement accounting requirements. He is a CPA, CMA, CCE/A, CPCM, CPD, and member of several professional associations including the National Contracts Management Association and the Institute of Management Accountants.

For nearly 20 years, Oyer served in various capacities with the DCAA including assistant regional director, Atlanta Region, with responsibility for 10 audit offices and assistant director in 3 areas: Operation & Professional Development, Resources, and Policies & Plans. He has authored and co-authored numerous publications on cost principles and truth-in-negotiations including his latest book, *Pricing and Cost Accounting: A Handbook for Government Contractors*. He is a frequent speaker and lecturer on contracting subjects, and has taught graduate level accounting courses for Central Michigan University.

John Ford is a firmly established Government Contract expert, veteran consultant and trainer. He has extensive Government procurement experience in both the public and private sectors.

After retiring from the Defense Contract Audit Agency, John assumed the positions of Special Counsel for Cost and Price Issues, as well as Senior Analyst providing contracting advice and assistance to the DoD Military Health System Clinical Information Technology Program Office.

John spent 24 years serving as a procurement attorney with various components of the DoD. At the time of his retirement from federal service, he was the Deputy General Counsel for the Defense Contract Audit Agency where he concentrated on contract cost issues in litigation before contract appeals boards and Federal courts.

He is currently an instructor, and has been for the past 17 years, in the University of Virginia's Procurement and Contract Management Program. You'll benefit from his years of teaching and from his practical work experience as a procurement attorney for the DoD. John has the ability to present vital information in a meaningful and understandable way. He holds a BA and JD degree from the University of Texas at Austin and is a member of the State Bar of Texas.



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Two-day Workshop **Filled with Practical, Powerful** **Tools, Techniques and Skills** **Gain practical "how to's"** **Including:**

- How to use accelerated costs, delay costs and disruption costs to quantify your request for an equitable contract price adjustment
- How to handle idle labor hours
- How to calculate learning curve mathematics
- How to decide what kind of direct labor to use
- How to evaluate checkpoints for equipment costs on construction contracts
- How to price indirect costs

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will be leading government
contract consultants,
Darrell Oyer and John Ford.

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You will receive step-by-step advice on:

- **When** an equitable contract price adjustment is warranted
- **How** to document your entitlement to an equitable contract price adjustment
- **How** to quantify your request for an equitable contract price adjustment
- **When** to use your new know-how to effectively negotiate contract modifications
- **How** to prepare proposals for price adjustments
- **How** to use the bases for equitable contract price adjustments
- **Three key methods** for handling unabsorbed overhead that resulted from contract changes
- **Much, much more**