

Course	PROC 5870 – Contract Pricing		
Term	Fall 2007		
Instructor	Beverly L. Hobbs 703-432-4919 (Duty) 540-899-2739 (Home)		
Catalog Description	This course reinforces fundamental pricing skills covered in PROC 5830. Integration of cost and pricing skills are covered through case study and practical application for both services and the production of government hardware. Students will work in teams to use cost and pricing techniques to provide business advice toward the establishment of a negotiated cost position.		
Prerequisites	Students are expected to have completed general procurement theory courses (PROC 5000) or (CON 101) and a basic cost and pricing course (PROC 5830) or (CON 104). Students should have a general understanding of the Government acquisition process and the ability to work basic algebra and statistical problems.		
Course Level Learning Outcomes	<p>The following is a list of the basic learning outcomes for the course:</p> <ul style="list-style-type: none"> • The ability to use price-related market research. • Knowledge of when and how to use various cost/price analysis techniques. • The ability to analyze cash flow from both the supplier and the customer perspective • An understanding of how to use contracts as a way to provide incentives to contractors to improve performance and/or schedule. 		
Materials	Students can obtain all text materials for this class by downloading the information from the Internet. The website for the Contract Pricing Volumes is: http://www.acq.osd.mil/dpap/contractpricing/chap-index.htm . Students will also need to download the Federal Acquisition Regulations Parts 15, 30 and 31. The web address for this is: www.farsite.hill.af.mil .		
Grading	Case Scenario – Hardware Production	30%	
	Case Scenario – IT Services	30%	
	Quizzes (3)	30%	
	Peer Evaluation	10%	

<p>Activities</p>	<p>Information will be provided during Week 1 on the Hardware Case Scenario and on Week 5 for the IT Case Scenario. Students will be required to work in groups for each case scenario and will be required to prepare both a written and oral presentation. The quizzes may consist of multiple choice, short and essay answers.</p>
<p>Policy Statements: University Policies</p>	<p>University policies are provided in the current course catalog and course schedules. They are also available on the university website. This class is governed by the university's published policies. The following policies are of particular interest:</p> <p>Academic Honesty The university is committed to high standards of academic honesty. Students will be held responsible for violations of these standards. Please refer to the university's academic honesty policies for a definition of academic dishonesty and potential disciplinary actions associated with it.</p> <p>Drops and Withdrawals Please be aware that, should you choose to drop or withdraw from this course, the date on which you notify the university of your decision will determine the amount of tuition refund you receive. Please refer to the university policies on drops and withdrawals (published elsewhere) to find out what the deadlines are for dropping a course with a full refund and for withdrawing from a course with a partial refund.</p> <p>Special Services If you have registered as a student with a documented disability and are entitled to classroom or testing accommodations, please inform the instructor at the beginning of the course of the accommodations you will require in this class so that these can be provided.</p> <p>Disturbances Since every student is entitled to full participation in class without interruption, disruption of class by inconsiderate behavior is not acceptable. Students are expected to treat the instructor and other students with dignity and respect, especially in cases where a diversity of opinion arises. Students who engage in disruptive behavior are subject to disciplinary action, including removal from the course.</p>
<p>Course Policies</p>	<ul style="list-style-type: none"> • Students are responsible for reading materials prior to the start of each class! • Material will not be readdressed for students who are not present. In the event of absence, it is the responsibility of the student to get the material.

Weekly Schedule	Assignments Prior to First Class	Read Volume 2, Chapter 3 of Pricing Guide. Bring a basic calculator to class.
	Week 1	Course Administration/Introduction Review of Statistics – Volume 2, Chapter 3 Team Assignments (Phase 1) **Group Assignment Given: Case Scenario –Production Handout
	Week 2	Regression Analysis – Volume 2, Chapter 5 Establishing and Monitoring Contract Types – Volume 2, Chapter 1 **Group Assignment Work – Production Case
	Week 3	Evaluating Indirect Cost – Volume 4, Chapter 2 Quiz #1 Reviewing the Contractor’s Pricing and Accounting Practices – Volume 4, Chapter 3 Forecasting Cost Overruns – Volume 4, Chapter 4
	Week 4	Using Improvement Curves – Volume 2, Chapter 7 Forecasting Cost Overruns – Volume 4, Chapter 5 Using Net Present Value – Volume 2, Chapter 9 **Group Assignment Presentations – Production Case Peer Evaluations
	Week 5	Cost Plus Incentive Fee Contracts – Handout Conducting Cost Realism – Volume 4, Chapter 8 Quiz #2 Team Assignments (Phase 2) ** Group Assignment Given: Case Scenario – Services Handout
	Week 6	Pricing Equitable Adjustments and Settlements – Volume 2, Chapter 10 Defective Pricing – Volume 4, Chapter 5 **Group Assignment Work – Services Case
	Week 7	Discussion on Terminations – Handout Pricing Termination Settlements – Volume 4, Chapter 7
	Week 8	Performing Financial Analyses – Volume 4, Chapter 9 Quiz #3
	Week 9	**Group Assignment: Presentations – Services Case Peer Evaluations
Additional Information	Handouts and case scenarios will be provided by the Instructor at no additional charge.	