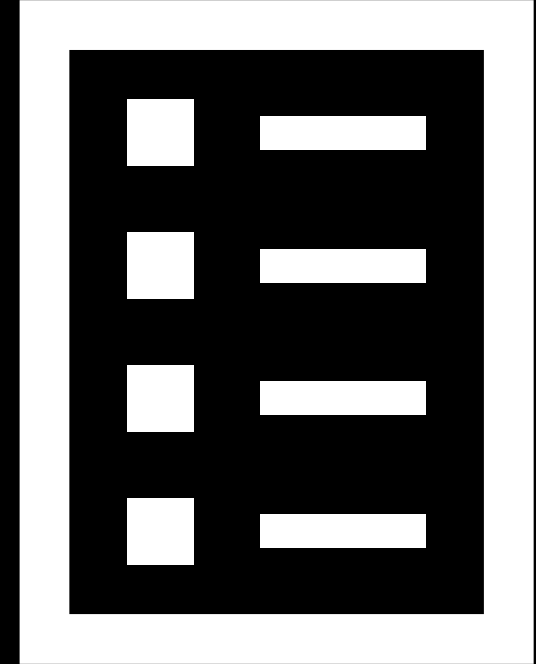# Pricing Tool Overview

## Project Controls

# Agenda

## Pricing Tool Overview

- Project Controls Role
- Terminology Confusion
- Pricing Tool Process Workflow
- What is Changing?
- Profit Follows the Project
- New Task Code Structure
- Changes to Cost
- EBITDA
- Continued Development
- Training & Support
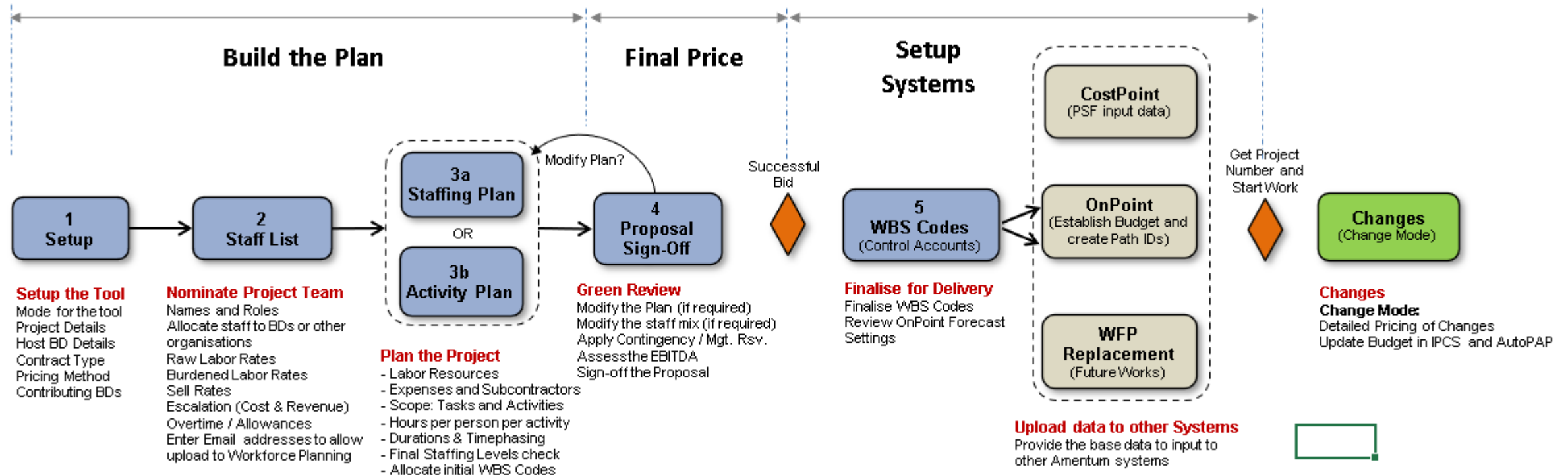


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# Project Controls – The Role

- Important to highlight that for Project Controls, the role of individuals is **NOT** changing.

- Responsibilities will carry over from the Oracle R12 based environment into the new Costpoint environment.

- Systems & tools will change, but the way we manage projects will be the same. E.g. Pricing Tool, Project Level ETC Forecasts, Project Reviews, Project Setup

# Terminology Confusion

- Amentum in the US often use similar terms and acronyms to those that we currently use in iCMS. You may hear the term Project Controls being used on US led training calls. Within the US business, the Project Controls role is equivalent to our Project Accountant role. Please be aware of this when watching any videos.

- Our Project Controls team is more likely to be referred to by the US as 'Biz Ops'.

- Also be aware that the term EAC is used by the US. This refers to the quarterly business forecast, and not a monthly project level forecast. Our project level forecasting process will remain in place.

# Pricing Tool – Process

- The workflow remains fundamentally the same. Building a price in the tool will be familiar to everyone who has used the Pricing Tool.
- Where the data flows to at setup stage is adjusted for new systems.

# Pricing Tool – What is changing?

- Margin Follows the Person becomes Profit Follows the Project.
- Task Code Structure in Costpoint is different to current task code structure in Oracle R12.
- Cost now includes for additional components, meaning projects will carry additional costs, which in turn shifts focus from Gross Margin to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization).

# Margin Follows the Project

- In Oracle R12 when an individual books an hour, profit earned by that person follows them back to the PU they belong to.
- In Costpoint, any hours booked on a project, will see profit made remain with the project, regardless of where the person booking resides within the business.

# New Task Code Structure

- Most will have been introduced to the new format during the task code mapping exercise.
- This is the format that Costpoint uses.

| Project | Project Name |
|---|---|
| 5009 | Dounreay Effluent Treatme |
| 5009.00 | DRSL -1248 |
| 5009.00.00 | Dounreay Effluent Treatme |
| 5009.00.00.E | Dounreay Effluent Treatme |
| 5009.00.00.E.EC00 | Dounreay Effluent Treatme |
| 5009.00.00.T | Dounreay Effluent Treatme |
| 5009.00.00.T.0000 | Dounreay Effluent Treatme |
| 5009.00.00.T.0000.APNPA0010000 | PROJECT ADMIN NB |
| 5009.00.00.T.0000.APNPM0020000 | Project Management |
| 5009.00.00.T.0000.APNPR0010000 | Process Engineer Lab |
| 5009.00.00.T.0000.SPNS00300000 | Contingency & PC |

| Project Level | Level 1 | Level 2 | Level 3 | Level 4 | Level 5 | Level 6 (Required) |
|---|---|---|---|---|---|---|
| Character Count | 4 | 2 | 2 | 1 | 4 or 6 | |
| Level Description | Service Area | Customer | Contract Period | Contract Type | CLIN / SLIN | Charge Level |

| | Level 1 | Level 2 | Level 3 | Level 4 | Level 5 | Level 6 + | |
|---|---|---|---|---|---|---|---|
| Characters | 4 | 2 | 2 | 1 | 4 or 6 | | 30 Total |
| | 5000 series 5M00 series | R12 Project Number | 00 | T | | Charge Level | |

# Changes to Cost Calculation

- The cost model under R12 included a burden on raw cost based upon staff type and geographical location.

- In Costpoint the calculation of burdened cost also includes for additional components in the form of PMO, OH3, G&A.

- OH3 & G&A will also apply to non labor under the most recently discussed model.

- The numbers for the above are yet to be defined by the business.

- The good news, is that the pricing tool will handle all these calculations automatically. There is no expectation for the user to engage with them.

# Gross Margin to EBITDA

- As the cost has changed, the Pricing Tool will no longer calculate GM, in the way that it does for a project run in Oracle R12.

- The pricing tool will now calculate the EBITDA margin, which is the required Amentum metric. This will be shown throughout the pricing tool.

- The maths behind the calculation in the pricing tool don't change significantly. They just recognize the additions to the cost.

- EBITDA will be seen across other boundary applications including OnPoint.

- EBITDA expectations will be presented by the business.

# Continued Development

- The initial release of the Pricing Tool will be MVP. The core focus is on offering a pricing solution that works from day one.

- Additional features will be added over time, while retired functions will be removed.

- Please provide feedback on bugs and errors to help development.

- The latest version will be made available via Sharepoint.

# Training & Support

- Full pricing tool training will continue to be offered periodically. Sessions will be setup to walkthrough each of the key tabs, demonstrating how they work to build up a price.

- Support for the pricing tool will still be available from the project controls superuser team, as well as via the Helpdesk.