

Program Office Estimate
for
Program Name
Date

Prepared by
Program Office

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PROGRAM NAME – ACAT LEVEL

PROGRAM OFFICE ESTIMATE (POE)
(DATE)

SUBMITTED BY

Name Date
CFO or Financial Management Lead

CONCURRENCE

Name Date
Product/Logistics center FMC

APPROVAL

Name Date Name Date
Program Manger Program Executive Officer
(if required)

Guidance: *Cost estimate documentation provides a detailed record of the estimating methods, data, environment and events supporting the development or update of a cost estimate. It should be replicable and must be submitted electronically. Quality documentation makes an estimate more credible, aids in the analysis of changes in program cost, enables a reviewer to fully understand and replicate the cost estimate, contributes to the population of databases used to estimate the cost of future programs and facilitates continuous process improvement across the cost estimating community.*

FOUO Guidance: *Determine whether FOUO is applicable per DoDM 5200.01, Volume 4, "DoD Information security Program: Controlled Unclassified Information (CUI)," February 24, 2012.*

FOUO Guidance Source: <http://dtic.mil/whs/directives/corres/pdf/523024p.pdf>

Instructions: *PEO-specific instructions will be added here.*

References:

1. AFI 65-508, "Cost Analysis Guidance and Procedures," Attachment 3. 06 JUN 2012. http://static.e-publishing.af.mil/production/1/saf_fm/publication/afi65-508/afi65-508.pdf
2. Office of the Secretary of Defense: Cost Analysis Improvement Group (CAIG). Operating and Support Cost-Estimating Guide OSD CAIG Operating & Support Cost Estimating Guide, Chapter 3. OCT 2007. https://acc.dau.mil/adl/en-US/142233/file/27619/O_S_Cost_Estimating_Guide_Oct_2007.pdf

Other: *The following template outlines the content of the Program Office Estimate (POE):*

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1. Introduction.

[Click here to enter text.](#)

Guidance: Ensure the introduction section includes, as a minimum, all of the following:

- 1. Program Title and Program Elements (PEs).*
- 2. Reference to the current Program Decision, if applicable, and the CARD.*
- 3. Purpose and scope of the estimate.*
- 4. Cost estimating team members listed by organization, phone number, and area of estimating responsibility.*
- 5. Description of system or effort being estimated, with program phases estimated and excluded costs identified.*
- 6. Program schedule; i.e., buy and delivery schedules.*
- 7. Applicable contract information.*
- 8. Cost estimate summary by fiscal year in Base-Year Dollars (BY\$) and Then-Year Dollars (TY\$).*
- 9. Ground rules and assumptions.*

2. Body.

[Click here to enter text.](#)

Guidance: Ensure the detailed section of the estimate contains and/or expresses the following:

- 1. Basis of estimate, by phase and appropriation, by Work Breakdown Structure (WBS) or Cost Element Structure (CES).*
- 2. Detailed methods, sources, and calculations provided by WBS or CES along with fiscal year phasing and rationale for phasing.*
- 3. Rationale for selecting a specific cost estimating method, by WBS or CES.*
- 4. Source of data used when referencing analogous systems. Examples of analogous source data include, but are not limited to the:*
 - a. Selected Acquisition Report (SAR)*
 - b. Defense Acquisition Executive Summary (DAES)*
 - c. Contract Performance Report (CPR)*
 - d. Contractor Cost Data Report (CCDR)*
- 5. Cross checks, reasonableness and consistency checks addressed by WBS or CES. Specific references to studies, analogous systems or other appropriate documented references.*
- 6. Track to prior estimate, and rationale for differences.*

7. *Reconciliation between the NACA/ICE and POE. Note: The body of the cost estimate documentation should provide information (source data, estimating methods, and results) sufficient to make it possible for a qualified cost estimator to recreate the estimate using only the written documentation.*

3. Additional Considerations

[Click here to enter text.](#)

Guidance: Ensure the following issues have been addressed and/or reviewed:

1. *All life cycle costs are included.*
2. *Estimates are organized consistently and logically.*
3. *Learning curve slopes and factors are reasonable, similar system slopes and factors are included as cross checks.*
4. *Actual historical data at or near program completion was used, when available.*
5. *Current inflation rates were used, documented and properly applied.*
6. *Historical data used is presented in the documentation, with rationale given as to why that data/program is applicable for use as an analogy and, where applicable, extrapolation is applicable.*
7. *Where systems have previously produced development or production units, unit or lot quantity and associated costs are provided.*
8. *Briefing charts reference program funding provided in the most current budget (President's Budget or POM). If shortfalls exist, a zero "shortfall" option is provided.*
9. *Acronyms are defined.*
10. *Personnel costs are consistent with the Manpower Estimate Report (MER), or deviations are properly explained.*
11. *Sensitivity analysis and risk/uncertainty analysis is documented.*
12. *Wrap rates and Forward Pricing Rate Agreement (FPRA) / Forward Pricing Rate Recommendation (FPRR) assumptions are included.*