Washington Area Chapter Newsletter

Washington Area Chapter, SCEA

President's Message

David Stem, Chapter President

It's been an exciting time for the Washington Chapter as of late. We just held our Washington Area Chapter annual business meeting at the Washington Golf and Country Club on January 25th. This meeting gave all of the new board members a chance to meet the membership, to tell what they had been working on since the election, describe their plans for next year, and to solicit ideas for areas to focus on in the future. We were also privileged to have Bill Haseltine from the national SCEA Board provide the keynote talk on the integration of SCEA and the International Society of Parametric Analysts (ISPA). The evening ended with the Washington Chapter Annual Awards being presented to individuals showing merit in the following areas: Leadership/Management, Technical Achievement, Team Award, Best Luncheon, and Junior Analyst. Congratulations to the nominees and winners of this year's awards. Please

remember that we'll be looking for nominations again toward the end of next year. More details will become available via our newsletter, chapter e-mails, and on our website www.washingtonscea.com.

Goals for 2012

At the business meeting, I presented my vision of what I would like to accomplish for the chapter during my term. First, after reviewing the results of the recent national survey, the board has been able to better understand the composition and needs of our chapter membership. Using this information, I would like to structure training opportunities to meet the needs of our members. Survey responders mentioned that there was a general satisfaction with membership to SCEA and that they looked to the organization to meet their training needs and focus on bringing in younger members. The board will also work on improving communications with members

through direct e-mails, website improvements, and our luncheon program. With a continued positive response to the chapter awards, we will continue to provide opportunities for recognition through our annual awards program. Finally, I anticipate we will need to make changes at the chapter level to reflect the integration of SCEA and ISPA. The goal of these initiatives is to draw in new members and make SCEA even more relevant to our existing members.

What's in this Issue?

In this edition of the newsletter, you can read about what happened at the chapter's annual meeting, results of the membership survey, luncheon news, and website improvements. If you missed the annual meeting, but wanted to know what happened, the board presentation can also be found on our website. Congratulations again to our chapter award nominees and winners!

Chapter Activities:

- Monthly Luncheons
- Local Training Opportunities
- Conferences
- Quarterly Newsletter

Coming Soon...

Website Updates
An updated version of the WAC Website is up and running! While it isn't quite 21st century yet, we are making progress. But for now, it is up to date. If you need to contact any board member, click on the Board of Directors link and their email address on that page.

Training Events
Be on the lookout for details about the training session to be held in March in anticipation of the upcoming SCEA exam! See more details on page 5 of this newsletter!

Check us out online!
www.washingtonscea.com

Annual Meeting Recap

On January 25th the Washington Area Chapter of SCEA held our Annual business meeting at the Washington Golf and Country Club in Arlington. Attendees enjoyed drinks and hors d'oeuvres before a presentation by the board on the Chapter's activities. The keynote speaker was Bill Haseltine from the National SCEA office who spoke on the integration of ISPA and SCEA. After Mr. Haseltine's speech, the Annual Awards were presented for the categories of Junior Analyst, Team Achievement, Technical Achievement, Leadership/Management, and Best Luncheon Speaker. And the winners were…

Junior Analyst Award: Angelica Villarreal (AFCAA)
Ms. Villarreal performed above and beyond expectations of a Palace Acquire intern while serving in the O&S cost branch of the Air Force Cost Analysis Agency. Although only a GS-09 at the time, she led the O&S portions of the cost estimates for two ACAT1D programs, the C-27 and MQ-9 programs, both of the highest dollar value in DoD and with OSD oversight. Ms. Villarreal has only been with the government for less than two years, and thus has exceeded all expectations of a junior civilian analyst. While the lead O&S analysts on ACAT1D programs is typically performed by someone of a GS-12 or 13 level of experience, Angelica did not hesitate in taking on the added responsibility and performed exceptionally well. In addition to her willingness to take on increased responsibility, Ms. Villarreal's mathematical modeling skills, and expertise, helped identify a cost avoidance of $1.6 billion dollars for the C-27 program.

Team Achievement Award: Logistics Requirements and Funding Summary Team (Booz Allen Hamilton, Inc.)
Since May 2009, this team, made up of Charles Gu, John Ko, Zachary Pryor, Jeremy Eden, James Boswell, and Sarah Weinstein, has been tasked by the Assistant Commander Life Cycle Logistics and Assistant Commander Programs to develop an Excel-based tool designed to automatically produce an LRFS based on basic information provided by logisticians which help to describe the requirements of a program. The Excel-based tool (known as the LRFS Cost Estimating Tool) which has been developed by the LRFS CET Team translates a program's logistics requirements into a summary of the financial costs and resources needed to successfully field the system. The values calculated by the LRFS CET are based on standard cost estimating principles and methods, and are supported by a library of cost models, cost data and algorithms that have been developed by the LRFS CET Team which are fully documented and traceable. In addition to a library of cost models, the LRFS CET Team integrated a cost model selection process to properly rank individual models and select the best fitting model for a logistician's program. As a result of these efforts, LRFSs developed using the LRFS CET will have greater inherent acceptability and will be easier to produce with minimal cost estimating experience.

Technical Achievement Award: Kevin Cincotta (Technomics, Inc.)
As a Senior Cost Analyst and Technical Officer at Technomics, Kevin is responsible for leading and contributing to the success of projects for a myriad of Government clients. As a Technical Officer, Kevin's responsibilities include facilitating technical collaboration within and between project teams, providing technical advice/guidance/direction to project teams, mentoring and training mid and junior analysts, performing technical quality control of major deliverables and conference presentations, and developing analytical standards for technical products and issue policy. His most notable accomplishments are the creation of the Technomics Training Institute, Co-chair of the 2011 SCEA conference training workshop, support to the DAU cost estimating curriculum, and multiple presentations at various SCEA forums. Finally, in both his roles as a Senior Cost Analyst and Technical Officer, Kevin has demonstrated thought leadership in

leading or contributing to projects whose outcomes have exceeded even the most demanding clients' expectations.

Leadership/Management Award: Ben Costley (Tecelote Research, Inc.)
Within Tecelote's Washington Navy Yard Operations, Ben is responsible for leading a segment of the Naval Sea Systems Command business, supervising cost analysts that range from junior to senior levels. In addition to his management responsibilities, Ben rolls up his sleeves and actively leads cost estimates and studies. He has been recognized at the highest levels of Navy leadership for his valuable contributions to the acquisition community. Ben has reached beyond his leadership responsibilities to mentor and train his staff as well as others outside his group. He initiated the tailoring of the Tecolote Analyst Training curriculum to align it with the NAVSEA business practices. He has also educated other analysts in major systems cost estimating methodology, GAO cost estimating Best Practices, Will/Should Cost Initiatives, and DoD acquisition policies. Additionally, Ben contributes to cost research efforts, and demonstrates his commitment to furthering his own cost estimating knowledge by attending various conferences and symposiums.

Best Luncheon Speaker Award: Belinda Nethery and Kyle Thomas (TASC, Inc.)
This award was based on attendee feedback from this September luncheon. Read all about their presentation on the Infrastructure Service Provider Cost Model on the next page in the "Luncheon News" section.

Check out pictures from the event on the next page! Congratulations to all of this year's nominees and award winners, and thanks to everyone who came out for the Annual Meeting – we look forward to seeing you all again soon!

Annual Meeting Pictures

(Left) Kevin Cincotta won the Technical Achievement Award

(Below) The Logistics Requirements and Funding Summary Team won the Team Achievement Award

(Below) Benjamin Costley won the Leadership/Management Award

(Below) Belinda Nethery and Kyle Thomas won the Luncheon Speaker Award

(Left) Keynote Speaker Bill Haseltine prepares to discuss the SCEA/ISPA Merger

Luncheon News

Happy New Year everyone, and congratulations to Kyle Thomas and Belinda Nethery for winning the 2011 Luncheon Speaker of the Year award! If you are a regular luncheon attendee, you might have noticed that we are adding a training component to our usual technical presentations, trying to mix in basic training along with presentations on cutting-edge research. We took July and August off in order to enjoy the summer weather, but since then, we have had the following Luncheon Presentations:

September 2011: The Infrastructure Service Provider (ISP) Cost Model

The September luncheon was held at TASC, Inc., in Chantilly, VA, and featured Kyle Thomas and Belinda Nethery of TASC, Inc. They gave a talk entitled "The Infrastructure Service Provider (ISP) Cost Model." According to authors, the Information Technology Infrastructure (ITI) cost model is a first attempt to estimate the cost of IT services for the entire enterprise from a purely IT service perspective. There were a number for constraints and requirements that drove the design of the model. They included lack of actual cost data with which to develop estimating methods, lack of an IT service focused requirements baseline or even a plan on what or how to measure the quantity and quality of IT services, a changing environment as the Agency remakes itself into a services based organization, the need for a strategic level cost model for enterprise planning as well as a tactical cost model that can be used for acquisition evaluations and trade-off analyses, and finally, and most importantly, the need to be able to trace IT costs back to the basic mission of the Agency. Their paper focused on the approach used to develop the ITI Cost Model given the constraints and requirements.

October 2011: From Berry to Bottle: How Much Does That Wine Cost?

The October luncheon was held at MCR, LLC, in Washington, D.C., and featured Mr. Michael Thompson of MCR. He gave a talk entitled, "From Berry to Bottle: How Much Does That Wine Cost?" Most cost analysts look at commodities like construction, automobile, aircraft, spacecraft, and ships. A lesser known area for cost analysis is the wine industry. Just as with any manufacturing concern the wine industry relies on materials and labor to produce a bottle of wine. There are direct costs for labor, fruit, yeast, chemicals, and analysis and indirect costs equipment such a barrels and tanks, along with crushers, presses, bottling lines or the services of a mobile bottling line. These categories can be translated into Direct Costs, Indirect Costs, and Apportioned Costs. With all of this data coming in how do you keep track of everything, comply with federal and state regulations, and still make a profit? Several wineries have gone to using a database to gather the data and produce reports and at least one winery is using a pricing model to determine the profitability of its products. Mr. Thompson's paper described how it all comes together.

December 2011: Contract Pricing

The December luncheon was held at Technomics, Inc. in Arlington, and featured Mr. Kevin Cincotta and Ms. Colleen Craig of Technomics. They gave a tutorial entitled "Contract Pricing." Contract types define the bounds for how cost risk is shared between parties and the profit/fee potentials commensurate with that risk. This session, previously shown in the Training Track at the 2011 ISPA/SCEA Conference, took a holistic view of the contracting and contract pricing concepts from a cost estimator's viewpoint, and included contract types, shareline calculations, and basis of estimate (BOE) standards. The session covered the Core Knowledge section of Module 14 Contract Pricing of CEBoK, including calculations of Point of Total Assumption (PTA) and Range of Incentive Effectiveness (RIE).

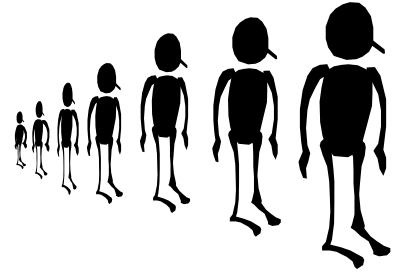### January 2012: Data Normalization and Inflation

The January luncheon was also held at Technomics, and featured Ms. Angela Camp and Mr. Brian Welsh of Technomics. They gave a tutorial entitled "Data Normalization and Inflation." Data is the raw material for cost estimating. It is critical to every estimate. Data provides information on cost trends over a variety of related programs; insight into cost structures; and the information used to develop Cost Estimating Relationships (CERs), parametric estimates, and models. Data provides credibility and defensibility to all estimates, without which the estimate would be looked upon as merely a guess or at best the opinion of the analyst. In addition, data, when properly analyzed, allows you to provide assessments of the statistical accuracy and fidelity of an estimate. This session focused on data normalization, touching on the interplay of this process with data analysis and CER development, and the particular normalization technique of escalation, used to adjust for changing price levels (inflation). The use of index numbers, both to normalize historical data and to escalate cost estimates, was explained in detail, with the overarching procedure illuminated by examples. Raw, weighted, and compound indices were presented. This session covered the Data Normalization subset of Module 04 Data Collection and Normalization and the Core Knowledge section of Module 05 Inflation and Index Numbers of CEBoK.

More Luncheon Information

Stand by for additional presentations on a variety of topics, including Marc Geenberg, and a discussion of An Elicitation Method to Generate Minimum-Bias Probability Distributions", and Brian Flynn, et. al, with a presentation on "Testing S-Curves for Reasonableness: The NCCA S-Curve Tool." As always, the Washington Area Chapter luncheon series provides a great venue for local speakers and guests. If you have never attended a SCEA luncheon, then I invite you to check it out. Washington Area Chapter members receive monthly invitations in their e-mail in-boxes. If you are not yet a member, or your e-mail address has changed, you can sign up to receive invitations at the chapter website, www.washingtonscea .com, or by contacting your program chair, Tim Anderson, at timothy.p.anderson @aero.org. Finally, if you would like to give a presentation at an upcoming Washington SCEA luncheon, please contact your program chair. We are always looking for interesting speakers and topics, and this is one of the last "free lunches" available in town!

Membership Update

One of our goals as a chapter is to grow our membership, and as of December 2nd, 2011, our chapter has grown by 40 members... and we're still growing! Another goal we have is to better represent our membership. In support of this goal, our Membership Chair, Jennifer Swartz, gathered the Washington Area Chapter's responses to the National survey. According to the responses, our members joined SCEA for three primary reasons: Training/Professional Development (28%), Networking (18%), and Certification (15%). Of those that fell into these three categories, the overwhelming majority said that SCEA meets their primary reason for joining SCEA. That said, many members provided some feedback on how we can improve the Chapter's services to its members. A couple of interesting responses include:

- Push for more membership from key stakeholders, such as DoD's CAPE
- Provide more opportunities for younger members to take on leadership roles and get involved
- Provide more professional education/training opportunities

This feedback is invaluable as we face a new year, with new opportunities to improve. Thank you to everyone who contributed to the membership survey – and please keep those ideas coming!

Local Training Opportunities

The Washington Area Chapter of SCEA will be offering its next training session on March 24th at the VA Tech/UVA Northern Virginia Center in Falls Church. The session will focus on helping participants prepare for the SCEA certification exam, but would benefit anyone who would like to brush up on their cost estimating skills. Locally, the certification exams will be offered April 14, 2012 and June 30, 2012. Check SCEA's website at www.sceaonline.org for application deadlines, which are typically a month before the exam is held.
Check our chapter website at www.washingtonscea.com and watch your inboxes for invitations and announcements related to this upcoming training.

Soon we will also be implementing a Question and Answer section on our website. This section will be aimed at answering questions not covered in our training sessions and providing a forum for discussion for our members.

If you have any questions or suggestions related to chapter training, please contact Meghan Kennedy, the Chapter Vice President, at VicePresident@washingtonscea.com.

We're on the Web!
See us at:
www.washingtonscea.com

Suggestions?

If you have comments, ideas, or would like to contribute an article to the newsletter, please contact the secretary, Kirsten Schulte, at Secretary@Washingtonscea.com.