Follow the Money in Government Estimates
ICEAA 2023 Professional Development & Training Workshop
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Agenda

- Intro
- Problem Set
- Technique
- Additional Background
- Toolset
- Way forward

Introduction

- The Department of Defense has made many changes to its financial and reporting systems that impact how the cost estimating community can perform its core duties in data collection.

- Previously existing barriers or roadblocks are being removed in place of centralized and automated processes to share data.

- Pathfinding the newly opened routes to the data repositories is the goal should be the goal of any future cost estimator

- Given parts of the puzzle, develop a set of techniques and practices to obtain data at a high quality for estimates

Data Problem 1

- Data collection is a priority for any cost estimate and it is not always possible to get complete or accurate information from any one source

- During interviews with Acquisition professionals when asked to provide the Contract Number and Delivery Order Number from the standardized contract forms the answers received were not consistent.

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Data Problem 2

- RDT&E development contracts can bundle multiple projects that are similar work a lot then award on a single CLIN

- Data collection is incomplete or missing critical pieces (details of project, scope, funding, timeline) to use as high-quality data cost data

  - Risk or error in cost estimating efforts is Higher

  - Lower-level project tracking based on the contract not feasible as reporting is at the CLIN level

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001		1	Lot		$ XX,XXX,XXX
	JAIC Smart Sensor Autonomous ISR				

Data Matrix

- Using a Matrix below shows how you can take the data you have and start to add to the quality and verify with the financial system of record.

- During interviews and discussions with the project team the data gathered may be incorrect or have holes in the data

- By using the data cleaning and using the financial systems as a truth source cost estimators can refine the estimate to a more accurate result.

Reference ID	Common Contract Vehicle Name	Contract Number	Task Order Number	Contract Mod	Requesition Number	Support Agreement	BEGFY	APPN	Budget Line	Object Class	Invoice Number	Obligation Amt
1	Group1	GS35F386DA	AB1234567	Base	HC1085XXXXX	A2211-097-017-XXXXXX					ABC123	$XXX
2	Group1	GS35F386DA	BC1234567	Mod 1	HC1085XXXXX	A2211-097-017-XXXXXX					DEF456	$XXX
3	GroupB	AB12-F-20-5678	DE1234567	P000XX								$XXX
4	GroupC	DE1234567		A000XX		A211-097-XXX-XXXXXX						$XXX
5	GroupD				TBD		2020	0100	4GTN	251		$XXX
6	GroupD				HC0034XXXXX		2023	0400	0604123D8Z	251		$XXX
7	GroupD				HC06423XXXXX		2023	0400	0604123D8Z	251		$XXX
8	Group2						2018	0100	46TN	111		$XXX

Technique to improve data quality

- Look for the lower-level sub projects that make up the lot in the financial system not the contracts.
  - Funding by individual MIPRs or Purchase Requests for multiple projects may be separated from the lot and tracked.
  - Funding may be by multiple parties and not a single organization
  - Financial systems track obligations and expenditures at the funding document level
  - Funding documents require supporting documents such as IGCEs, statements of Work.
  - Specific projects funding and completion times can be determined from the funding document tracking and supplementary documents

Approach to gather data

- Look for Historical Cost Data
  - "Historical Data are the backbone of a good estimate, They provide credibility, accuracy, and defensibility" (ICEAA)
    - No change if there is historical data from traditional sources use it!
- Build Data Matrix
  - Look for outliers in the data set
  - Correct the outliers when possible
- Leverage the Federal Financial Systems your organization uses
  - Review the lower level funding documents for applicability
    - MIPR, PWS, IGCE, others
- Explore other sources
  - GSA public Government Wide Acquisition Contract Rates
  - Published Analysis or Models
    - SRDRs
    - CADE

Supplementary Data Gathering

- **Proposed steps to find data when traditional methods fail:**
  - Review estimate for large lot RDT&E Contract Line-Item Number (CLIN) items
  - Attempt to break CLINS down into smaller efforts
  - Allocate the requirements and funds to the sub projects of the CLIN
- **Supplementary Data Sources:**
  - **Support Agreement**
    - Provide the programmatic scope of the approved work, labor rates, contract, POCs, and organizational data to improve the search for relevant data
    - Later the Support Agreements will be the check books for contract and MIPRs that will be the centralized tracking of obligations to see total expenditures from internal and external organizations
  - **Standard Line of Accounting (SLOA)**
    - Provides insight as to the Purpose, Year, and limits of use for the funds used against a project and can be used to find similar expenditures that were not reported in interviews
  - **Financial System or Connected Dashboard**
    - Tool to find the truth, does not rely on human memory or a project teams bias
    - Can shed light in overlooked or missed items in planning or budgeting

MIPR Example

MILITARY INTERDEPARTMENTAL PURCHASE REQUEST

1. PAGE **1** OF PAGES

2. FSC	3. CONTROL SYMBOL NO.	4. DATE PREPARED	5. Unique Fund Document Number	6. Basic/Amd#

7. TO:
GSA Region of PM
Street Address
City/State/Zip

8. FROM: *(Agency, name, telephone number of originator)*
Requesting Agency Organization
Street Address
City/State/Zip

9. ITEMS ☐ ARE ☐ ARE NOT INCLUDED IN THE INTERSERVICE SUPPLY SUPPORT PROGRAM AND REQUIRED INTERSERVICE SCREENING ☐ HAS ☐ HAS NOT BEEN ACCOMPLISHED.

ITEM NO. a	DESCRIPTION (Federal stock number, nomenclature, specification and/or drawing No., etc.) b	QTY c	UNIT d	ESTIMATED UNIT PRICE e	ESTIMATED TOTAL PRICE f

Required Information:
- Purpose: Order ID and/or description of services that clearly ties to Part B and task description in ITSS
- Time: Period of Performance of task (not fund) the funds will be applied to
  - For new awards, can list "estimated" or "Date of award + "X" months""
  - If task has been awarded, list POP for task year funds are being provided for (ex: OY2, 09/30/17-09/29/18)
- POP for Non-Severable tasks not required IF provided on Part B
- Client Financial POC name, 10 digit phone number, email address
- DUNS Number or DODAAC for Requesting Agency
- Statutory Authority 40 USC 321
- Cannot accept Economy Act (USC 1535)
- Category Type I (Reimbursable)/Category II (Direct Cite)

Additional Information Conditionally Required:
- CRA Statement for new task awards during CR with current year funds
- SAF (Subject to Availability of Funds) statement
- Removal of SAF statement

Grand Total of Basic + Amds.

10. SEE ATTACHED PAGES FOR DELIVERY SCHEDULES, PRESERVATION AND PACKAGING INSTRUCTIONS, SHIPPING INSTRUCTIONS AND INSTRUCTIONS FOR DISTRIBUTION OF CONTRACTS AND RELATED DOCUMENTS.

11. GRAND TOTAL

12. TRANSPORTATION ALLOTMENT *(Used if FOB Contractor's plant)*

13. MAIL INVOICES TO *(Payment will be made by)*

PAY OFFICE DODAAD

14. FUNDS FOR PROCUREMENT ARE PROPERLY CHARGEABLE TO THE ALLOTMENTS SET FORTH BELOW, THE AVAILABLE BALANCES OF WHICH ARE SUFFICIENT TO COVER THE ESTIMATED TOTAL PRICE.

ACRN	APPROPRIATION	LIMIT/SUBHEAD	SUPPLEMENTAL ACCOUNTING CLASSIFICATION	ACCTG STA DODAAD	AMOUNT
	Treasury Account Symbol		Full Line of Accouting	Used for IPAC Billing	

15. AUTHORIZING OFFICER *(Type name and title)*

16. SIGNATURE

17. DATE
Date Block 16 signed

DD Form 448, JUN 72 (EG)   PREVIOUS EDITION IS OBSOLETE.

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Example MIPR:

- Financial Systems may include two lines for accounting
  - LOA- Legacy
  - SLOA- Standard Required as of Oct 1, 2022
- Additional details may be found after block 15 from the financial system

Example Text found in the notes or Block 9 from DAI:

Provides FY22 RDT&E Funding for the Project XYZ Contract Vehicle Technical Direction Letters (TDLs). The purpose of this requirement is to deliver industry standard, open architecture services and products (software and/or hardware) across the full spectrum of AI-enabled capabilities
GT&C Number: A211-097-XXXX

The contract is severable and meets bona fide needs for the fiscal year.
Contract PoP: 05/05/2022 - 05/04/2023
Funding PoP: 05/05/2022 - 09/30/2022

Funded Amount: $X,XXX,XXX.XX
Other Fee Amount: $XX,XXX.XX
Total Funded Amount: $X,XXX,XXX.XX
Technical POC: Joan Smith / Joan.smith.civ@mail.mil
John Smith / john.smith@gsa.gov
Financial POC: John Smith / john.smith.civ@mail.mil

Block 9- Item Description

- ## **<u>Example Text found in the notes or Block 9 from DAI:</u>**

  - Provides FY22 RDT&E Funding for the Project XYZ Contract Vehicle Technical Direction Letters (TDLs). The purpose of this requirement is to deliver industry standard, open architecture services and products (software and/or hardware) across the full spectrum of AI-enabled capabilities

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  - Funded Amount: $X,XXX,XXX.XX
  - Other Fee Amount: $XX,XXX.XX
  - Total Funded Amount: $X,XXX,XXX.XX

  - **Technical POC: Joan Smith /** Joan.smith.civ@mail.mil John Smith / john.smith@gsa.gov
  - **Financial POC: John Smith /** john.smith.civ@mail.mil

Block 14 - Full Line of accounting

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LINE /DIST NUM	ACRN	SUPPLEMENTAL ACCOUNTING CLASSIFICATION	FUNDED AMOUNT
0001/1		^^^097^2020^2020^^0100^000^^251^D^4GTN^^ 1234567 1234567 ^012215^CIO^CIO-DOD CHIEF IN^CIO_CSI_CINT^20_0100D_0905388^251.10 Manageme^^^	$1,200,000.00

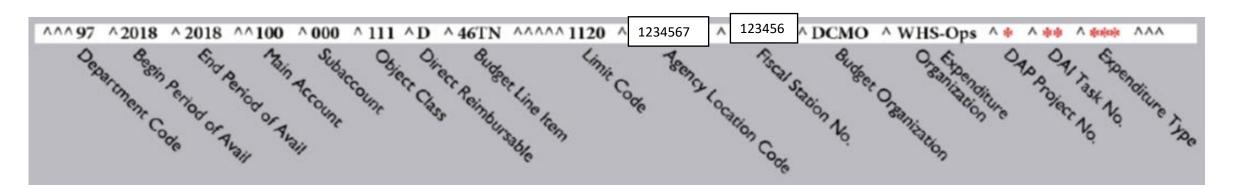- ## **What is a Standard Line of Accounting (SLOA)**

  - SLOA follows the Standard Financial Information Structure (SFIS).
  - SFIS is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs across the DoD enterprise
  - As of October 1, 2022 all DOD Department wide Business System Financial Interoperability must have adopted SLOA.

How to read a SLOA

- **SLOA can be broken down based on the following key:**

^^^097^2023^2024^^0400^000^^251^D^0604123D8Z^^^^^1100^12345678^012345^CDAO^CDAO – Chief

- Budget Line Item – can be useful to find additional funding docs
- Object Class – can be used to help map costs against wbs
- Main Account – also known as APPN
- Agency Location Code- can be used to find the cost center

SLOA can be found on Contracts too!!

- When reviewing the contract language you will come across the funding or account data in a contract
  - Generally this would be found in "Section G - Contract Administration Data"
    - "ACCOUNTING AND APPROPRIATION DATA"
  - This allows you to track who paid for what part of the CLIN, and with SUBCLIN funding this can be important

Financial Systems Connected

- Many DOD Financial Systems have Data Sharing Agreements in place with external tools such as Advana
  - This allows cost estimators access to these systems to search for the data they need
    - Without
      - Requiring extensive User Training
      - Extensive single use Access Permissions for accounts

      - [Advana" Defense Analytics Platform – Department of Defense - Defense Acquisition University (dau.edu)](dau.edu)

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Questions?