Air Force Life Cycle Management Center (AFLCMC)

Standard Process

for

Annual Program Office Cost Estimate

Process Owner: AFLCMC/FZC

Date: 18 March 2021

Version: 3.3

Record of Changes.

Record of Changes		
Version	Effective Date	Summary
1.0	29 May 2013	Basic document approved by S&P Board on 16 May 2013 with minor edits made approved by S&P Board Champion.
2.0	5 September 2014	Revision to achieve Process Maturity Matrix Level 4.
2.1	27 August 2015	Annual update. Administrative changes to document.
2.2	14 January 2016	Annual update. Revision to reflect October 2015 S&P Board approved metric changes.
3.0	23 March 2017	Change Time-Based Metric to Compliance-Based Metric. Administrative changes to the document.
3.1	29 March 2018	Annual update. Administrative changes to document.
3.2	21 March 2019	Annual update. Administrative changes to document. Approved by S&P board on 21 MAR 2019.
3.3	18 March 2021	Change metric measurement from calendar year basis to fiscal year basis. Administrative changes to document. Approved at 18 March 2021 SP&P Group.

Annual Program Office Cost Estimate Process

1.0 Description. An Annual Program Office Cost Estimate (POE) (also known as a Single Best Estimate or SBE) is a documented point in time of the estimated total life cycle cost of the directed acquisition program. Annual POEs are required each fiscal year after the program's Initial POE is approved by the Center Cost Chief or delegate (see Paragraph 7.1 for waiver information). Annual POEs should include all Research Development Test and Evaluation (to include program specific direct cite Civilian Pay over and above Acquisition Workforce PE funding), Procurement, Military Construction (MILCON), Operations and Maintenance (O&M) and Military Personnel costs as well as all disposal and Restoration and Modernization costs associated with facility and infrastructure sustainment. Included are all resources associated with all of the applicable work breakdown structure elements (reference MIL-STD 881E for the typical WBS elements); all indirect elements; costs displayed by program phase consistent with acquisition program phases defined in DoDI 5000.02; a comprehensive risk/uncertainty analysis and a sensitivity analysis. The Annual Program Office Cost Estimate shall be consistent with the intent contained in AFI 65-508. The Cost Center Chief, or delegate at the location where a program is managed, shall approve all POEs.

2.0 Purpose.

  2.1   The Annual Program Office Cost Estimate and its development process provides leadership with the critical information for program decision making, establishes executable budgets, and proactively addresses financial issues. POEs are integral to all Milestone decisions and Planning, Programming, and Budgeting Execution (PPBE) formulation. The POE is the basis for the Independent Government Cost estimate for source selections, and supports program breach or program change decisions.

  2.2   Support strategic planning.

    2.2.1   Supports AFLCMC Objective 2.1, "Standardize Processes across AFLCMC regardless of location."

3.0 Potential Entry/Exit Criteria and Inputs/Outputs.

  3.1   Entry Criteria

    3.1.1   The entry criteria for an Annual Program Office Cost Estimate Process is triggered by the Initial Program Office Cost Estimate. An Initial Program Office Cost Estimate is required within twelve months of the program being added to the Acquisition Master List (AML) (see Paragraph 7.1 for waiver information). An Annual Program Office Cost Estimate is initiated in each fiscal year following the program's Initial POE approval by Center Cost Chief or delegate for as long as the program remains on the AML. The POE should be completed and approved by FZC prior to the Program Objective Memorandum (POM) submission with rare exception. If a program is proceeding to a milestone, the POE should be approved prior to any required reconciliation activities and prior to the milestone approval. The basis of the POM submission or milestone decision will be the FZC approved POE.

  3.2   Exit Criteria

3.2.1   Initial or annual estimate is complete and approved by the Center Cost Chief or delegate, or a waiver (annual or permanent) is approved.

3.2.2   Final documentation is provided to the AFLCMC/FZC Workflow inbox (AFLCMC.FZC.workflow@us.af.mil), made available by the managing locations' SharePoint site or is provided to the FZC Independent Staff Analyst assigned to review the POE and placed in the official file.

3.3   Inputs:

3.3.1   Appropriately Defined Requirements (based on Program Phase): The defined requirements for the estimate include definition of the estimate scope, ground rules, assumptions, constraints, and alternative programs. Also, a well-defined programmatic and technical baseline must exist as well as a Program Work Breakdown Structure (WBS) which will be incorporated and documented as part of the Cost Analysis Requirements Document (CARD) for ACAT I programs and for ACAT II and III programs the technical content must align with the appropriate programmatic requirement documents and be reflected in the POE briefing charts. The requirements must be adequately defined to initiate the Annual Program Office Cost Estimate Process.

3.3.2   Most Probable Schedule: This may be an Integrated Master Schedule or similar document that contains the critical linked tasks and durations of those tasks for the program.

3.3.3   Defined Technical Parameters: Program technical parameters must be identified so they can be properly documented and utilized in the estimate formulation.

3.3.4   Risk Assessment: Cost, schedule, and technical risks from the Integrated Risk Assessment (IRA) must be identified and quantified in the POE.

     3.3.4.1.   A schedule analysis should be incorporated with the cost estimate to include the assessment of risk, identified opportunities and the uncertainty associated with schedule variability.

     3.3.4.2.   A sensitivity analysis should be performed on key cost, schedule and technical parameters.

3.3.5   Technology Readiness Assessment (TRA), Manufacturing Readiness Assessment (MRA), Systems Engineering Assessment (SEA), Test Assessment, Risk Identification, Integration & "Ilities" and Logistics Health Assessment (LHA) must be integrated into the estimate if the estimate will be part of a Program Sufficiency Review.

3.4   Outputs:

3.4.1   Approved Annual Life Cycle Program Office Cost Estimate model/s.

3.4.2   Formal Briefing Presentation Chart Deck.

3.4.3   Cost Estimate Documentation. (see AFI65-508 Chapter 6)

4.0 Process Workflow and Activities.

4.1 Suppliers, Inputs, Process, Outputs, Customers (SIPOC), **Table 1**.

4.2 Process Flowchart. The process flowchart below, **Figure 1**, represents the Annual Program Office Cost Estimate Process. The activities are further defined in the WBS at **Attachment 1**.

4.3 Process Work Breakdown Structure (WBS). The Annual Program Office Cost Estimate Process WBS below, **Table 2**, provides additional detail for the activity boxes in the above Annual Program Office Cost Estimate process flowchart. The MS Excel version of the WBS with more detail is provided at **Attachment 1.**

Table 1. SIPOC

Suppliers	Input	Process	Output	Customers
Program Office User	Documented Requirements Definition	1.1 Estimate Planning	Approved Documented Requirements Definition Cost Estimate Plan	Cost IPT Program Office
Program Office Cost Databases	Approved Documented Requirements Definition Raw Program and Cost Data	1.2 Research, Collection and Analysis	Normalized and Documented Cost Data Cost Estimating Relationships	Cost IPT
Program Office Cost IPT	Approved Documented Requirements Definition Normalized and Documented Cost Data	1.3 Formulate Estimate	Draft Program Office Estimate	Cost IPT
Cost IPT	Draft Program Office Estimate	1.4 Formal Review / Presentation	Approved Annual Program Office Cost Estimate Approved Draft Documentation	Program Office
Cost IPT	Approved Draft Documentation	1.5 Finalize Documentation	Signed and Approved Estimate Documentation	Program Office

Figure 1. Process Flowchart

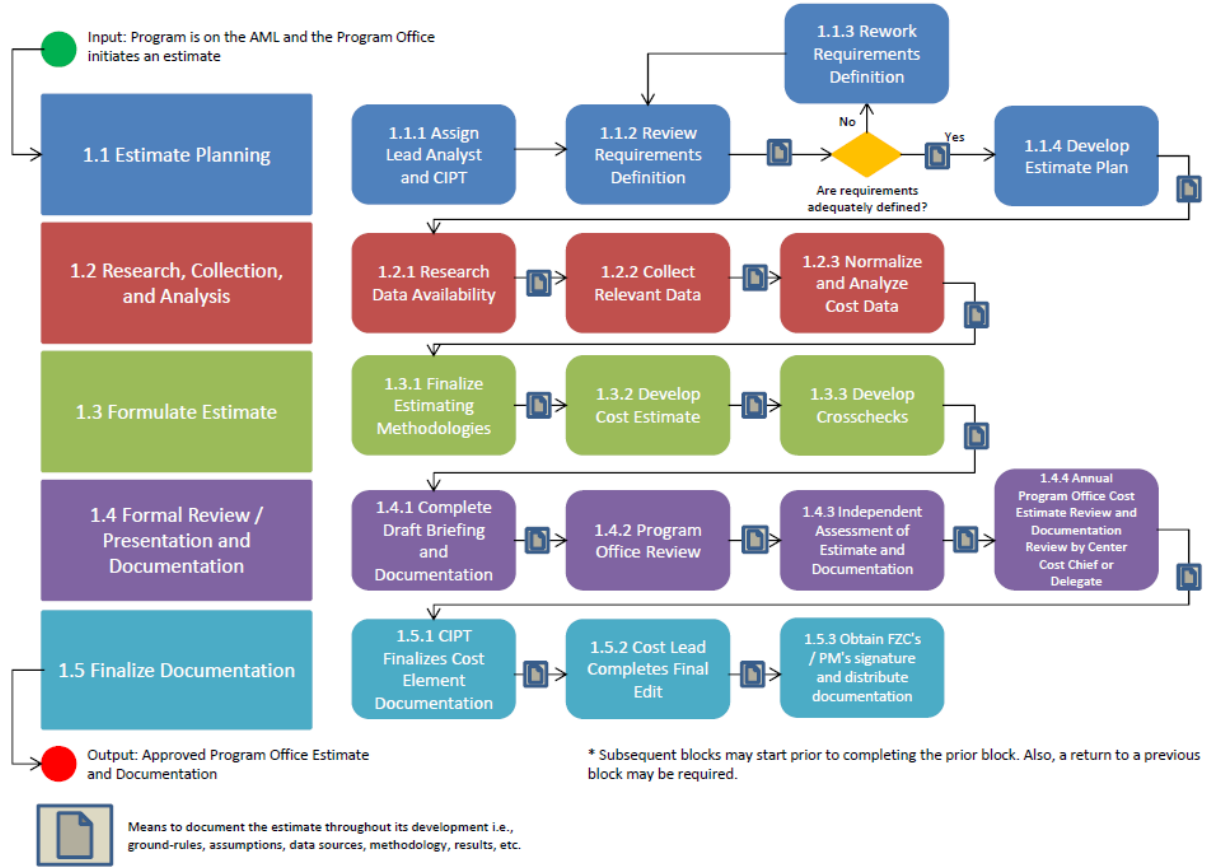## Annual Program Office Cost Estimate Process Flowchart*

Input: Program is on the AML and the Program Office initiates an estimate

1.1 Estimate Planning		
1.2 Research, Collection, and Analysis		
1.3 Formulate Estimate		
1.4 Formal Review / Presentation and Documentation		
1.5 Finalize Documentation		

1.1 Estimate Planning
- 1.1.1 Assign Lead Analyst and CIPT
- 1.1.2 Review Requirements Definition
- 1.1.3 Rework Requirements Definition
- Are requirements adequately defined? No / Yes
- 1.1.4 Develop Estimate Plan

1.2 Research, Collection, and Analysis
- 1.2.1 Research Data Availability
- 1.2.2 Collect Relevant Data
- 1.2.3 Normalize and Analyze Cost Data

1.3 Formulate Estimate
- 1.3.1 Finalize Estimating Methodologies
- 1.3.2 Develop Cost Estimate
- 1.3.3 Develop Crosschecks

1.4 Formal Review / Presentation and Documentation
- 1.4.1 Complete Draft Briefing and Documentation
- 1.4.2 Program Office Review
- 1.4.3 Independent Assessment of Estimate and Documentation
- 1.4.4 Annual Program Office Cost Estimate Review and Documentation Review by Center Cost Chief or Delegate

1.5 Finalize Documentation
- 1.5.1 CIPT Finalizes Cost Element Documentation
- 1.5.2 Cost Lead Completes Final Edit
- 1.5.3 Obtain FZC's / PM's signature and distribute documentation

Output: Approved Program Office Estimate and Documentation

* Subsequent blocks may start prior to completing the prior block. Also, a return to a previous block may be required.

Means to document the estimate throughout its development i.e., ground-rules, assumptions, data sources, methodology, results, etc.

Table 2. WBS for Annual Program Cost Estimate

Lvl	WBS	Activity	Description	OPR
1	1.0	Annual Program Office Cost Estimate Process		
2	1.1	Estimate Planning		
3	1.1.1	Assign lead analyst and CIPT	The Program Office or FZC Staff assigns a lead analyst and the Cost Integrated Product Team (CIPT). For ACAT I programs, the lead analyst must be Level III Business-Cost Estimating (BUS-CE) Certified and for ACAT II/III programs, the lead analyst must be at least Level II BUS-CE Certified. The lead cost analyst can come from the program office or can be a staff resource.	Program Office or FZC Staff
3	1.1.2	Review requirements definition	CIPT reviews requirements definition for adequacy. This requirement may be documented in a Cost Analysis Requirements Document (CARD) or similar document. If the requirements are not defined in WBS 1.1.2 adequately enough to provide a costable programmatic and technical baseline to the CIPT, proceed to step 1.1.3. Otherwise, proceed to step 1.1.4.	CIPT
3	1.1.3	Rework Requirements Definition	If the requirements are not defined in WBS 1.1.2 adequately enough to provide a costs associated with programmatic and technical baseline to the CIPT, the CIPT will identify areas of inadequate requirements definition and provide to the Program Office. The Program Office is responsible for providing adequate requirements definition. Once the Program Office is complete, WBS 1.1.2 will be repeated by the CIPT.	Program Office
3	1.1.4	Develop estimate plan	Define Preliminary Program WBS, cost elements, data sources, estimating methodologies, tools, ground rules and assumptions, team member assignments, estimate scope and schedule, and briefing schedule. The team lead should coordinate these activities with the customer to determine if anything needs to be added or revised before proceeding.	CIPT Lead
2	1.2	Research, Collection and Analysis		
3	1.2.1	Research data availability	CIPT researches the availability/sources of government and/or contractor data for each cost element. Document available data.	CIPT
3	1.2.2	Collect relevant data	CIPT reviews historical estimates (if any) for availability, usability, and applicability of data. Identify analogous programs and gather applicable data. Document relevant data.	CIPT
3	1.2.3	Normalize and analyze cost data	CIPT organizes cost data collected and normalized to the base year of the estimate. Use data gathered to develop Cost Estimating Relationships (CERs) to be used either as primary estimating methodologies or crosschecks. Document normalized data.	CIPT
2	1.3	Formulate Estimate		
3	1.3.1	Finalize estimating methodologies	CIPT finalizes estimating methodologies and tools to allow for the development of the cost estimate. Document methodologies and tools.	CIPT
3	1.3.2	Develop cost estimate	CIPT uses historical estimates, cost data, CERs, factors, and tools to develop cost estimates for each phase of the lifecycle. Results of the IRA are quantified and used to generate the estimate; ACAT I and II program cost estimates should typically be established at a Confidence Level (CL) at the mean or higher of the program cost estimate distribution (typically 55-65%CL - see AFI65-508 para 1.2.1.5.). Perform sensitivity analysis on the parameters that were used to estimate the high cost elements. Document cost estimate at the point estimate, fifty percent confidence level, eighty percent confidence level and mean (AFI65-508 para 5.3.1.7.), IRA results and quantification, and sensitivity analysis.	CIPT
3	1.3.3	Develop crosschecks	CIPT develops crosschecks at the lowest possible cost element level to test the reasonableness of the estimate. Document crosschecks.	CIPT
2	1.4	Formal Review / Presentation and Documentation		
3	1.4.1	Complete draft briefing and documentation	CIPT completes draft versions of the estimate documentation and briefing package. Templates for each of these can be found at the AFLCMC/FZC SharePoint site.	CIPT
3	1.4.2	Independent Assessment of Estimate and Documentation	An FZC Staff Analyst will conduct an independent assessment of the estimate and documentation. This will be a sufficiency review of the estimate that will take place prior to the Annual Program Office Cost Estimate Review by the Center Cost Chief or Delegate . Programs should also follow their own directorate's review process prior to proceeding to the next step (e.g. Estimates completed by personnel that are geographically separated from the Directorate are still required to follow applicable Directorate review processes).	AFLCMC/FZC Managing Location Cost Staff
3	1.4.3	Program Office Review	The program manager,and program senior financial manager review the estimate and determine if the estimate is sufficient and consistent with the program content. The briefing process should not continue to the next step until the program manager and program senior financial manager concur on the estimate and all action items are completed. If an issue cannot be resolved in this briefing or during resulting discussions, the issues should be identified during the next step in the review process.	Program Office
3	1.4.4	Annual Program Office Cost Estimate Review and Documentation Review by Center Cost Chief or Delegate	The Center Cost Chief or Delegate at the managing location conducts a detailed cost review of the estimate to ensure the use of appropriate ground rules, assumptions, data sources, estimating methodologies, risk assessments, documentation and to ascertain reasonableness, realism, and completeness. The Center Cost Chief or Delegate may request stakeholder and customer personnel as well as Center SMEs to participate in the estimate review. AFLCMC/FZ will review the estimates as needed (for example, at the PEO's request, etc.)	Center Cost Chief or Delegate
2	1.5	Finalize Documentation		
3	1.5.1	CIPT finalizes cost element documentation	Each CIPT member is responsible for providing final documentation to the team lead for each of the cost elements estimated.	CIPT
3	1.5.2	Cost lead completes final edit	The CIPT lead reviews and completes the final edit of the documentation and assesses the completeness and flow of the documentation package to ensure any cost analyst could understand and replicate the cost estimate. A documentation checklist is available on the AFLCMC/FZC SharePoint site.	CIPT Lead
3	1.5.3	Obtain FZC's signature and distribute documentation	The CIPT lead must obtain the Cost Chief's signatures and distribute the final documentation to all appropriate organizations including an electronic version to the AFLCMC/FZC Workflow Inbox.	CIPT Lead

5.0 **Measurement**. This section outlines the process results and process evaluation for the Annual Program Office Cost Estimate process. An AML Baseline will be established in September of the previous fiscal year. All programs on the AML Baseline, regardless of whether the requirement is for an initial estimate or an annual estimate update will be tracked for compliance.

> **5.1** Process Results: All ACAT programs on the Acquisition Master List (AML) as of 01 October of that fiscal year will be considered compliant if the program has a Center Approved POE, a Center Approved Annual POE Waiver, or a Center approved Permanent POE Waiver by 30 September of that fiscal year (see Paragraph 7.1 for waiver information). Programs that are taking action to be removed from the AML will not be tracked for compliance. See Metric Attribute below for more information.

	Metric Attribute	Description
Administrative Info	Process Name	Annual Program Office Cost Estimate (POE)
	Process Lead	Mitchell, Jeremy S NH-04 USAF AFMC AFLCMC/FZC
	Metric POC	Harvey, Jared N NH-03 USAF AFMC AFLCMC/FZC
	Date Completed	18 Mar 2021
S	Metric Name / Description	Annual Cumulative Center % Compliance – Annual Program Office Cost Estimate Meeting Requirement Assesses the percent of Center programs meeting the Annual Program Office Cost Estimate requirement. Data is collected from the directorates via tasker twice per year and as estimates are approved by the Center Cost Chief or Delegate.
	Calculation	Cumulative # of Center POE Compliant Programs divided by Cumulative # of Center Planned POE Compliant Programs on the AML Baseline on a two times per fiscal year basis
	Business Rules	• AML Baseline will be established in August/September of previous fiscal year. All programs on the AML baseline will be tracked, regardless of whether the requirement is for an initial estimate or an annual update. • Programs added to the AML after the baseline is set will not be tracked per SAF/FMC AFI interpretation. Programs have twelve months to complete a POE after being added to the AML. • Compliant = Center Approved POE, Center Approved Annual POE Waiver, Center Approved Permanent POE Waiver, or actions taken to remove program from the AML
M	Data Source	Data collected from AFLCMC Directorates twice per year via tasker
A	Process Owner	AFLCMC/FM-FZ
	Decision Maker	AFLCMC/FZC
	Review Forum / Governance Body	Standard Processes and Products Group
	Target	98-100% Compliant Annual Program Office Cost Estimate
	Thresholds (R/Y/G)	Green: 98-100% Yellow: 90-97% Red: 89% or less
	Baseline Performance	AFI Requirement to have annual program office cost estimate or waiver for all AML programs
R	Enterprise Impact / Process Purpose	The Annual Program Office Cost Estimate and its development process provides leadership with the critical information for program decision making, establishes executable budgets, and proactively addresses financial issues. POEs are integral to all Milestone decisions and PPBE formulation. The POE is the basis of the Independent Government Cost Estimate for source selections, and supports program change decisions.
T	Baseline Date	May 2013
	Review Frequency	Twice yearly (April and October)
	Update Frequency	POE process updates on an annual basis. Metrics updated in April and October.

6.0 **Roles and Responsibilities**. Sections 6.1 through 6.6 provide a summary of roles and responsibilities and should not be viewed as the only guidance. The Annual Program Office Cost Estimate Work Breakdown Structure (WBS) referenced in para 4.3 and

provided as Attachment 1 expands this summary with specific tasks and products for each OPR.

6.1 AFLCMC/FM-FZ

 6.1.1 Review Acquisition Category I/II/III estimates as necessary.

6.2 AFLCMC/FZC (Process Owner)

 6.2.1 Maintain and coordinate any changes to this process, "Annual Program Office Cost Estimate Process."

 6.2.2 Maintain track of all annual program office cost estimates and waivers for AFLCMC ACAT programs on AML.

 6.2.3 Serve as arbitrator if there are unresolved issues between Center Cost Chief or delegate and PEO staff.

 6.2.4 Upload POE metrics to AFLCMC Dashboard.

 6.2.5 Brief POE metrics to the SP&P Group and other interested AFLCMC leadership groups as requested.

6.3 Center Cost Chief or delegate (Center Cost Chief responsibilities have been delegated to the Staff cost chief at the location where the program is managed (see table below)). As per AFI 65-508, all ACAT I, II, III programs' annual estimate must achieve the approval of the Center Cost Chief.

Location	Office Symbol
Wright-Patterson AFB	AFLCMC/FZC
Eglin AFB	AFLCMC/EGOL/FZC
Gunter Annex	AFLCMC/FZC
Hanscom AFB	AFLCMC/HAOL/FZC
Tinker AFB	AFSC/FZC
Hill AFB	AFSC/FZC Hill
Robins AFB	AFSC/FZC Robins
Other Locations	AFLCMC/FZC

 6.3.1 Determine lead and members for Cost Integrated Product Team (CIPT) for estimates resourced by Center Cost Staff. For ACAT I programs, the lead analyst must be Level III Business-Cost Estimating (BUS-CE) Certified and for ACAT II/III programs, lead analyst must be at least Level II BUS-CE Certified. The team may include stakeholder and customer personnel as well as Center Staff resources required to accomplish the estimate.

 6.3.2 Identify an FZC Staff Analyst to conduct an independent assessment of the estimate and documentation. This will be a sufficiency review of the estimate that will take place prior to the Annual Program Office Cost Estimate Review (CER) by the Center Cost Chief or delegate.

 6.3.3 Provide the approved Cost Estimate Review Briefing and Documentation to the AFLCMC/FZC Workflow inbox.

6.4 Cost Integrated Product Team (CIPT)

6.4.1 The CIPT is the cost team that will develop the Annual Program Office Cost Estimate. The CIPT requires the support of other Program Office functionals (e.g. financial management, program management, contracting, engineering, and logistics assets) as required to support the estimating activities.

6.4.2 Document activities (plan, schedule, ground-rules/assumptions, data sources, methodologies, results, etc.) as estimate is developed.

6.4.3 With inputs from the stakeholders and customer, review the requirements definition provided and determine if the content is adequate for cost estimating purposes, i.e., a costable programmatic and technical baseline has been developed.   If not, the requirements are returned to the appropriate stakeholders for further definition or correction and/or the CIPT works with stakeholders to develop ground-rules and assumptions to fill in the gaps.

6.4.4 Define Preliminary WBS, cost elements, data sources, estimating methodologies, tools, ground rules and assumptions, team member assignments, estimate scope and schedule, and briefing schedule. The team lead should coordinate these activities with the customer to determine if anything needs to be added or revised before proceeding.

6.4.5 Research, collect, and analyze data to support proposed methodology.

6.4.6 Formulate the estimate.

6.4.7 Prepare briefing charts for reviews and present to program office, FZC independent staff analyst, Center Cost Chief or delegate for Cost Estimate Review (CER) and others as required.

6.4.8 Document estimate throughout entire process such that the estimate could be replicated by an experienced cost analyst. Finalize documentation using the AFLCMC documentation checklist: https://org2.eis.af.mil/sites/21114/AFLCMC.FZC/Briefings%20and%20Templates/Forms/AllItems.aspx?RootFolder=%2Fsites%2F21114%2FAFLCMC%2EFZC%2FBriefings%20and%20Templates%2FBriefing%20Information&FolderCTID=0x0120003146A7C86AD5094893FB3CA92AD08489&View=%7BC571F542%2D1BD5%2D4D17%2DBF12%2D6B2B85EE64F6%7D (Links require SharePoint Access to FZC site)

6.5 Stakeholder [e.g., Using Command, Program Executive Officer (PEO), Program Office/Manager, etc.]

6.5.1 During the Estimate Planning step, provide a defined requirement such as a draft Cost Analysis Requirements Document (CARD) or similar document, the Most Probable Schedule (MPS), technical parameters and the Integrated Risk Assessment. The defined requirement for the estimate includes definition of the estimate scope, ground rules, assumptions, constraints, and alternative programs.

6.6 Program Office/Program Manager.

6.6.1 Review estimate prior to Cost Estimate Review by Center Cost Chief or delegate.

6.6.2 Provide functional support (e.g., financial management, program management, contracting, engineering, and logistics assets) to the CIPT as required to support the estimating activities.

6.6.3 Facilitate contact between CIPT and other sources of program information.

6.6.4 Initiate estimating activity in a timely manner so that the estimate can be utilized for its intended purpose (in support of POM, in support of Milestone, in support of ASP, etc.).

6.7 Directorate Chief Financial Officer.

6.7.1 Poll programs within Directorate's portfolio to determine which programs will accomplish an estimate and which will request a waiver during the fiscal year and provide summary info to AFLCMC/FZC.

6.7.2 Request support from Center Cost Staff as needed to accomplish estimates.

6.7.3 Review estimate prior to Annual Program Office Cost Estimate Review by Center Cost Chief or delegate.

7.0 Tools.

7.1 AFLCMC Annual Program Office Cost Estimate Waiver Criteria are located at the following link:

https://org2.eis.af.mil/sites/21114/AFLCMC.FZC/Briefings%20and%20Templates/Forms/AllItems.aspx?RootFolder=%2Fsites%2F21114%2FAFLCMC%2EFZC%2FBriefings%20and%20Templates%2FCurrent%20POE%20Waiver%20Criteria%20and%20Forms&FolderCTID=0x0120003146A7C86AD5094893FB3CA92AD08489&View=%7BC571F542%2D1BD5%2D4D17%2DBF12%2D6B2B85EE64F6%7D (Link requires FZC SharePoint access)

7.2 Cost Models. Information for AFMC-funded cost models is located at the following link:

https://org2.eis.af.mil/sites/21114/AFLCMC.FZC/Cost%20Software/Forms/AllItems.aspx

7.3 AFLCMC FZC SharePoint Site. The AFLCMC/FZC SharePoint Site is located at the following location:

https://org2.eis.af.mil/sites/21114/AFLCMC.FZC/default.aspx

7.4 Specific tools related to the process are included in the WBS at **Attachment 1** with links to those tools.

7.5 AFLCMC/FZC Research Data Request Workflow can be utilized to request cost data analysis or research services: AFLCMC.FZC.ResearchDataRequest@us.af.mil

8.0 Training.

8.1 Training Plan.

8.1.1   AFLCMC/FZC conducted numerous training sessions via telecom and local presentation before the standup of AFLCMC.

8.1.2   AFLCMC/FZC presented a training session at the AFLCMC Cost Working Group meeting to articulate any differences between this Process Guide and the previous Process Guide input.

8.1.3   AFLCMC/FZC trained the directorate Financial Management OSFs at the AFLCMC/FM Acquisition OSF monthly meeting.

8.2   Available Training.

8.2.1   AFLCMC/FZC will provide training to any organization requesting Annual Program Office Cost Estimate Process training.

8.2.2   Other available training for cost estimate related topics can be found at the following link: https://org2.eis.af.mil/sites/21114/AFLCMC.FZC/Courses%20and%20Training/Forms/Training.aspx (Link requires FZC SharePoint access)

9.0   Definitions, Guiding Principles or Ground Rules & Assumptions.

9.1   In accordance with AFI 65-508, 2.1.2.1.1: ""POEs (SBEs) are either developed by the Program Office or are the result of a collaborative effort between the Program Office and the Acquisition Center Cost Staff. The Acquisition Center Cost Staff Chief (or delegated representative) must approve all annual ACAT I, II and III POEs.

9.2   Initial Program Office Cost Estimates should follow the same five-step process, and will be included in the compliance metric calculation if the program is on the AML Baseline on 01 October of the fiscal year.

10.0   References to Law, Policy, Instructions or Guidance.

10.1   AFI 65-508 Cost Analysis Guidance and Procedures, 06 Dec 2018. POEs are governed by AFI 65-508 and are required for all ACAT I, II and III programs to be updated annually, unless waived.

10.2   AFI 63-101 Integrated Life Cycle Management, 30 Jun 2020. The PM shall update life cycle cost estimates in accordance with AFPD 65-5, Cost and Economics, and AFMAN 65-506, Economic Analysis, and compare them to the program budget to assess program executability.

10.3   Estimate documentation must be in compliance with AFI 65-508 and the AFLCMC documentation checklist.

10.4   MIL-STD 881E. Prescribes work breakdown structure for programs.

10.5   DoDI 5000.02. Defines acquisition categories, life cycle of acquisition programs and instructions for acquisition activities

10.6   DoDI 5000.4-M. Provides guidance on the content and use of the Cost Analysis Requirements Document.

10.7 OSD CAPE Operating and Support Cost Estimating Guide. Provides the O&S standard cost element structure to be used when presenting O&S cost estimates.

Attachment 1 – Annual POE Process WBS Excel file

Annual POE Process
WBS 2020.xlsx

Attachment 2- Change Management Plan

Change Management
Plan.doc