

**OSD(AT&L) Template
Should Cost Targets & Progress
Defense Acquisition Board**

Program Should-Cost Summary

Should Cost Initiatives:

EMD

- **Initiative 1:** Short description and basis for Should-Cost Estimate savings
- **Initiative 2:** Short description and basis for Should-Cost Estimate savings
- **Initiative 3:** Short description and basis for Should-Cost Estimate savings

Production & Deployment (notional)

- Initiative 1
- Initiative 2

Operations and Support (notional)

- Initiative 1

Other

- Initiative 1

Program Should-Cost Summary

\$M	Prior	Current Year	Budget year	BY +1	BY +2	BY +3	BY +4	To Comp	Total
Current Budget	22.0	49.1	25.1	35.0	47.0	75.0	52.0	100.0	405.2
Total Acq Will Cost (ICE)	22.0	52.2	25.0	35.0	47.0	75.0	52.0	100.0	408.2
Total Should Cost Estimate	21.3	43.3	20.0	32.8	45.0	74.0	52.0	100.0	388.4
Net Should Cost Savings	0.7	8.9	5.0	2.2	2.0	1.0	0.0	0.0	19.8
TD Costs (ICE)	22.0	12.2	0.0	0.0	0.0	0.0	0.0	0.0	34.2
TD Should-Cost Estimates	21.3	11.3	0.0	0.0	0.0	0.0	0.0	0.0	32.6
EMD Costs (ICE)		40.0	25.0	15.0	15.0	10.0	0.0	0.0	105.0
EMD Should-Cost Estimates		32.0	20.0	12.8	13.0	9.0	0.0	0.0	86.8
Production Costs (ICE)				20.0	32.0	55.0	42.0	70.0	219.0
Production Should-Cost Est.				20.0	TBD 32.0	55.0	42.0	70.0	219.0
Ops & Support Costs (ICE)						10.0	10.0	30.0	50.0
Ops & Support Should-Cost Est.						10.0	TBD 0.0	30.0	50.0

Note:

- Use Back-up slides to elaborate on each major initiative (see Backup for “Should Cost Initiative POAM”)

Should Cost Initiative POAM

\$M	Prior	Current Year	Budget Year	BY+1	Total All Years
Current Budget for target process	45.0	50.0	62.0	85.0	679.0
Will Cost (ICE) for target process	22.0	25.0	15.0	15.0	105.0
Should Cost for target process	21.0	20.0	12.8	13.0	86.8
Delta as % of Will Cost	5%	20%	15%	13%	17%
Actual Costs / New Estimates	21.5	21.0	TBD	TBD	TBD

Initiative Name:

Short Narrative Description of Basis for Should Cost Estimates:

(List reasons should cost estimate is below will cost, with dollar impact)

-
-

Adjustments and Impacts to Spend Plan

-
-

Contract Implications

- Incentive/fee structure, timing of evaluations & savings realized
-

Risks

- List risks to achieving these savings
-

Key Events/Schedule (Plan):

Event

- **Target Date (Should Cost)**
- **Target Date (Will Cost)**
 - Short description explaining change in schedule

Event

- **Target Date (Should Cost)**
- **Target Date (Will Cost)**
 - Short description explaining change in schedule

Instructions:

- Prepare one backup slide for each significant initiative (which need not always be largest dollar value)
- Which initiatives could be extensible to other programs?
- Which do most to affect long term costs?

**OSD(AT&L) Template
Should Cost – PM Summary
DAES Review**

[Program Name] Should Cost Implementation

	Will Cost FYDP (\$M)	Should Cost FYDP (\$M)	Current Fiscal Year (\$M)		
			Budget	Projected Savings	Realized Savings
Total Program					

Initiative	Description	Projected Savings (\$M)		Realized Savings (\$M)	
		FYxx	FYDP	FYxx	FYDP
Initiative 1					
Initiative 2					
Initiative 3					
Initiative 4					
Initiative 5					

Instructions:

- Will Cost (FYDP): Program’s total acquisition cost estimate (per APB) for the PB year through the FYDP.
- Should Cost (FYDP): Program’s total acquisition cost estimate for the PB year through the FYDP, less projected should cost savings.
- Current FY Budget: Program’s budget authority for the current year.
- Include all government and contracted costs (to include services acquired)

**OSD(AT&L) Template
Should Cost – PEO Portfolio Savings
DAES Review**

PEO [XXX]

Should Cost Implementation

Realized Results (Prior Fiscal Year)

	Total # Programs	# Programs w/ SC Estimates	Prior Fiscal Year (\$M)		
			Budget	Projected Savings	Realized Savings
ACAT I					
ACAT II					
ACAT III					

How Should Cost Savings Applied

- Xxx
- xxx

Significant Successes and Lessons Learned

- Xxx
- xxx

Case Studies developed for DAU repository

- Yyy
- Zzz

PEO [XXX]

Should Cost Implementation

Anticipated Results (Current Fiscal Year)

ACAT I Programs	Will Cost FYDP (\$M)	Should Cost FYDP (\$M)	Current Fiscal Year (\$M)		
			Budget	Projected Savings	Realized Savings
Program A					
Program B					
Program C					
Program D					
Program E					

	Total # Programs	# Programs w/ SC Estimates	Current Fiscal Year (\$M)		
			Budget	Projected Savings	Realized Savings
ACAT I					
ACAT II					
ACAT III					