

SCAF Workshop

Theme: “Through Life Costing”

Tuesday 7th February 2012
The BAWA Centre, Filton, Bristol

HM Treasury puts Through Life Costing at the heart of the Treasury Green Book (Appraisal and Evaluation in Central Government). Through Life Cost (TLC) considerations include the Financial Cost (which is relatively straightforward to calculate) and the Environmental and Social costs which are more difficult to quantify and assign numerical values. Typical areas of TLC expenditure include Planning, Design, Development, Procurement, Operations, Maintenance, Updates, Depreciation and Cost of Finance and Disposal.

Through Life Costing now has greater emphasis and is becoming a key component in the Ministry of Defence’s (MoD) financial business management process. The technique has extensively been used for option evaluation, budget setting and for decision making with a view to minimising acquisition and support costs throughout the life of an asset. However, broader-based through life costing will require greater consideration being given to cost benefits, indirect or intangible costs as well as direct costs. This workshop will be of interest to managers and practitioners through reviewing and discussing techniques and best practice.

09.00 Registration and Coffee

09.40 Welcome and Opening Remarks, Arthur Griffiths, Chairman, SCAF

09.45 Implementing Performance Based Contracting in Through Life Projects

The presenters will discuss the principles of Performance Based Contracting which has been adopted across many countries as a means of procuring through life services. The presentation will include a case study describing the approach taken to establish a robust and justified performance measurement framework.

Dale Shermon, Principal Consultant and **John Scire**, Managing Consultant, **QinetiQ**

10.25 Schedule and Cost Analysis for Through Life Costing

The presentation will broadly discuss schedule and cost analysis and will also look at cost and schedule growth through life. This will be based on analysis undertaken by the presenter in 2011 on behalf of CAAS.

Tom Tiner, Cost Assurance and Analysis Service – Cost Forecasting, **Ministry of Defence**

11.05 Break

11.15 Cost Estimating as part of the ILS Process

An interactive session in the form of audience participation reviewing perspectives of through life costing and logistics that can be used to establish best practice.

Andrew Pearson and **Sirish Parekh**, Senior WLC/ILS Engineers, **Rolls-Royce Submarines**

11.55 Costing for Avionic Through Life Availability (CATA): a discussion on the CATA project

This is a collaborative project led by the University of Bath with National and International support to research novel approaches to predict the through-life manufacture and repair cost for long-life avionic systems under availability contracting. The project will enable the avionics supply chain to predict, evaluate and optimize the associated acquisition and support costs during the early design stages to meet availability style contracts.

Dr Linda Newnes, Head of Costing Research, **University of Bath**

12.45 BUFFET LUNCH

13.45 Inflation Cost Forecasting: estimating lifetime carbon emissions

Franklin + Andrews is recognised as one of the world's leading construction economists. As part of the Mott MacDonald group the company operates across many sectors of the economy including Government, Utilities and Defence. The presentation will focus on inflation forecasting and its role in helping to cap and reduce cost and carbon values in capital investment projects.

James Fiske, **Franklin + Andrews Ltd**

14.25 Addressing the Challenges of In-Service Costing

Andy Nicholls is an experienced practitioner in the field of Whole Life Costing. He will be discussing the various challenges in data gathering, modelling techniques and data interpretation: all of which are essential elements in through life costing for defence programmes.

Andy Nicholls, Senior Executive Consultant, **PRICE Systems Europe**

15.05 TEA

15.20 Implementing Benefits Management

This presentation will discuss the use and application of through life costing as part of the benefits management function of the corporate governance process in nuclear programmes.

Tony Hargraves, Head of Business Sanctioning, **Atomic Weapons Establishment**

16.00 Know, Predict, Control: A Case Study in Services Management

The presentation will elaborate on the theory and relate it to the Rolls-Royce services organisational infrastructure and explain how a RAMS-Centric forecast capability is leveraged as the decision-support heart of services management.

Jonathan D. Rees, **Rolls-Royce plc**

16.40 Closing Remarks

17.00 Close

Registration and Costs

Registration and coffee will be available from 09.00. The Conference will commence at 09.40 am. This workshop is FREE to members of the Society. Non-members are welcome to attend at a cost of £80.00 per delegate. These costs include all refreshments, a buffet lunch and FREE attendance to all future SCAF events until August 2012.

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The Society for Cost Analysis and Forecasting was formed in September 1984 following a recognition of the need for a forum where those with interests and experience in cost analysis could meet and discuss problems and techniques.

The formation was the initiative of the UK members of the International Society of Parametric Analysts with the support of the Ministry of Defence and The Royal Aeronautical Society. Due to the background and experience of the founder members, the Society has tended towards defence oriented industries, however, it is the intention to cover as broad a field as possible.

The objects of the Society are to promote the best interests of its members and to improve and disseminate knowledge of cost analysis and forecasting methods. SCAF is a not-for-profit organisation and has no political affiliations or commercial bias but encourages sponsorship by organisations with declared mutual interest.

Please reserve a place for me at the SCAF Workshop being held on Tuesday 7th February 2012 at the BAWA Centre, Filton, Bristol commencing at 09.40 am.

- I enclose a cheque (payable to SCAF) for £80.00. Please forward cheques to:-
Mr D Hedley, SCAF Treasurer, C/O BMT Reliability Consultants Ltd, 12 Little Park Farm Road, Fareham, Hampshire, PO15 5SU
- Please invoice me.
- Receipt Required

Name:

Company:

Address:

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Tel: Email:.....

Nationality:

Dietary Requirements:

To register, please email: ndmorrill@dstl.gov.uk or
call 023 9253 7271