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DATA ITEM DESCRIPTION

Title: "Fixed and Variable Cost Report" (FVCR)
Number: DI-FNCL-82006
AMSC Number: 9600
DTIC Applicable: No
Preparing Activity: MDA
Applicable Forms: N/A

Approval Date: 20151110
Limitation:
GIDEP Applicable: No
Project Number: FNCL-2015-002

Use/Relationship: The Fixed and Variable Cost Report (FVCR) will be used to obtain essential information on direct and indirect actual contract cost data on both a fixed and variable basis.

This DID contains the format, content, and intended use information for the data deliverable resulting from the work task described in the solicitation.

This Data Item Description (DID) summarizes the format for Fixed and Variable Cost Report and provides preparation instructions to support the specific data and frequency requirements specified in the contract.

Requirements:

1. *Reference documents*. The applicable issue of the documents cited herein, including their approval dates and dates of any applicable amendments, notices, and revisions, shall be as cited in ASSIST at the time of the solicitation; or, for non-ASSIST documents, as stated herein.
2. *References.*
   a. DoD Instruction 5000.02, "Operation of the Defense Acquisition System," [current version], available at http://www.dtic.mil/whs/directives/.
   b. DoD 5000.4-M, "Cost Analysis Guidance and Procedures," [current version], available at http://www.dtic.mil/whs/directives/.
   c. DoD 5000.04-M-1, "Cost and Software Data Reporting (CSDR) Manual," [current version], available at http://www.dtic.mil/whs/directives/.
3. *Format.* An example table is provided on the last page of this DID to facilitate understanding of the DID requirements. This format is acceptable, or contractor-provided format is acceptable, if all fields described herein are reported. Detailed preparation instructions are below.
4. *Content.* All required reports shall be together in a single stand-alone Excel-compatible file. The report must be completed for each major component WBS Reporting Element for which an "X" is marked in the Fixed and Variable Report column of the Government-approved contract or subcontract Cost and Software Data Reporting (CSDR) Plan described in DoD 5000.04-M-1, Cost and Software Data Reporting (CSDR) Manual. Omit the other WBS Reporting Elements.
5. *Implementation*. Contractors are responsible for implementing Fixed and Variable reporting requirements on all subcontracts that meet the reporting thresholds determined by the Government Program Office.

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Preparation Instructions

1. *General Instructions.*
    1. All reporting must be based on the approved CSDR Plan.
    2. Contractors must submit actual cost data.
    3. Report on work performed by the prime contractor/associate contractor at cost (i.e., before the summary elements such as Reporting Contractor General & Administrative (G&A), Undistributed Budget, Management Reserve, Facilities Capital Cost of Money and at Price (incorporating Profit/Loss or Fee). Report on work performed by all subcontractors at price (i.e., including subcontractor Profit/Loss or Fee). Report all currency throughout this form in thousands of U.S. dollars, rounded to the nearest tenth. Report all hours in thousands, rounded to the nearest tenth. Enter "0" (zero) for items with null amounts; do not leave items blank.
    4. Mark the security classification of the report as "Unclassified" in the space provided on the top of the report. Please note: "Proprietary" is not an official DoD security classification. If the use of a proprietary disclosure statement is required, insert in the FVCR footer.
    5. Three types of reports are included in this DID: Initial Reports, Interim Reports, and Final Reports.
        i. An Initial Report is a preliminary report used to verify the contractor's capability to prepare and submit the report in accordance with the DID and the approved CSDR Plan. Initial reports are only required on an exception basis as determined by the Government. Typically, reports will only be required when the contractor has not previously demonstrated the capability to produce the required report(s).
        ii. An Interim Report is any report other than the Initial Report prepared before submission of the Final Report.
        iii. Final Reports are intended to capture all or substantially all actual contract costs. A Final Report is required as of the last day of the month when two conditions have been satisfied: (1) the final end item has been delivered and accepted by the Government (e.g., as evidenced by a completed DD 250) or higher tier contractor in the case of a subcontractor and (2) 95% or more of total contract costs have been incurred. The final due date is 60 days following the as-of date. In some cases, no- cost contract extensions are required to allow preparation and submission of the Final Report. In the case of a support or sustainment contract which has no deliverable end item, or a contract which is expected to incur significant cost after delivery of the last end item, the contract period of performance will be used in determining the timing of the final FVCR.
    6. Costs reported are based upon the direct, overhead, and G&A categories established in the contractor Cost Accounting Standards Disclosure statements. These categories include the functional and cost element categories included in the FVCR and related DID requirement, as appropriate. Remarks shall include discrepancies between the categories in the Cost Accounting Standards Disclosure statements and the cost definitions in this report. Remarks shall also

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include any accounting changes that occurred in any of the reported categories since the last report.

7. All costs associated with the contract, including Advance Procurement, Long Lead Materials, Multiyear Procurement, Inter-Division or Inter-Company Work Orders (IWOs), Foreign Military Sales (FMS), Warranty, etc. shall be included in the FVCRs. Costs cannot be omitted based on contract CLIN structure or definition.
8. For Contractor Logistics Support (CLS) contracts and acquisition contracts that include CLS efforts, refer below to section 4, Instructions for CLS Contracts.

2. *Specific Instructions: Metadata.*
    1. Enter all report metadata in column E, "Metadata Value" of the corresponding metadata line.
    2. Line M.1. Report As Of. Enter the appropriate numeric data for the year, month, and last day of the reporting period (YYYYMMDD).
    3. Line M.2. Major Component WBS Element Number. A separate FVCR must be completed for each WBS Reporting Element for which an "X" is marked in the FVCR column of the approved contract or subcontract CSDR Plan. Enter the corresponding WBS Element Code identically as presented in Item 11b of the Government-approved contract or subcontract CSDR Plan.
    4. Line M.3. Major Component WBS Reporting Element. Enter the Major Component WBS Reporting Element name that corresponds to the element name on the Government approved CSDR Plan.
    5. Line M.4. Program Name. Enter the name given to the Major Defense Acquisition Program (MDAP) or Major Automated Information Systems (MAIS) as shown in the Government-approved CSDR plan.
    6. Line M.5. Program Phase/Milestone. Enter the appropriate Phase/Milestone which is being reported as one of the following:
       Pre-A (Material Solution Analysis Phase)
       A (Technology Development Phase)
       B (Engineering and Manufacturing Development Phase)
       C- LRIP (Production and Deployment Phase – Low-Rate Initial Production)C- C-FRP (Production and Deployment Phase – Full-Rate Production)
       O&S (Operations and Support Phase)
    7. Line M.6. Prime Mission Product. Enter the most current official military designation for the end item as specified by the appropriate classification standard. For contract (or subcontract) CSDR Plans, the end item being reported can have a different designation than the total program. If the end item does not have a military designation, enter the type of product being developed or procured.
    8. Line M.7. Reporting Organization Type. Enter one of the following (see the "Definitions" section of this DID):
       Prime/Associate Contractor
       Direct-Reporting Subcontractor

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9. Lines M.8 through M.19. Name/Address. Enter the name and address (including ZIP code) of the reporting organization actually performing the work. Enter the reporting organization's division name and address (including ZIP code) if different than the performing organization.
10. Line M.20. Approved Plan Number. Enter the Approved Plan Number from Item 10 of the current Government-approved contract or subcontract CSDR Plan that authorized the collection of data for this report.
11. Line M.21. Customer (Direct-Reporting Subcontractor Use Only). Enter the name of the prime contractor for whom the work on the subcontract is being performed.
12. Line M.22. Contract Type. If the data are reported for a contract, enter the contract type code for the contract for which data are being reported. If the data are in response to a solicitation and the contract type has not been determined yet, enter NA (for "not applicable"). The codes for the common acquisition contract types included in the Federal Acquisition Regulation (FAR) are listed in the table below. For Time and Material, Labor-Hour, Letter Contracts, Indefinite Delivery, Basic Ordering Agreements, and flexibly priced contracts, select the primary contract type against which the majority of the orders are placed. If the contract type is an "Other Contract (OC)," enter "OC" in Item 7 ("Contract Type") and in Item 22 ("Remarks"), followed by the complete name of the contract type. If the contract includes multiple Contract Line Item Numbers (CLINs) of varying contract types, enter "MC" in Item 7 and in Item 22 followed by a description of the contracting arrangement.

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Contract/Order Type Code

FAR Contract Types	Contract Type Code
Cost Reimbursement Contracts	
Cost Sharing	CS
Cost Plus Award Fee	CPAF
Cost Plus Fixed Fee	CPFF
Cost Plus Incentive Fee	CPIF
Cost Plus Incentive Fee (With Performance Incentives)	CPIF(PI)
Fixed Price Contracts	
Firm Fixed Price	FFP
Fixed Price Incentive, Firm Target	FPIF
Fixed Price Incentive, Successive Targets	FPIST
Fixed Price Incentive, Successive Targets (With Performance Incentive)	FPIST(PI)
Fixed Price Incentive Firm Target (With Performance Incentive)	FPIFT(PI)
Fixed Price Award Fee	FPAF
Fixed Price with Economic Price Adjustment	FP/EPA
Fixed Price with Prospective Price Redetermination	FP/PPR
Fixed Ceiling Price with Retroactive Price Redetermination	FCP/RPR
Firm Fixed Price, Level of Effort Term	FFP/LOET
Indefinite Delivery Indefinite Quantity	IDIQ
Letter Contract and Undefinitized Contractual Action (UCA)	LC
Time and Materials	TM
Other Contracts	OC
Contracts with multiple Contract Types by Contract Line Item Numbers (CLINS)	MC

13. Line M.23. Contract Price. Enter the total contract price. If the data are in response to a solicitation enter the total estimated contract price.
14. Line M.24. Contract Ceiling. Enter the amount of the contract ceiling, if applicable. Otherwise, enter “N/A” for “not applicable.”
15. Line M.25. Contract Number and Line M.26 Latest Modification. Enter the assigned prime contract number the prime contractor has with the Government customer, as well as the number of the latest contract modification. This requirement is identical for both reporting contractors and reporting subcontractors.
16. Line M.27. Solicitation Number. If the data are in response to a solicitation enter the solicitation number.
17. Line M.28. Contract Name. Enter the common reference name for the prime contract.
18. Line M.29. Order/Lot Number. If the contract contains a task order(s), delivery order(s), or lot number(s) being reported on for which the CSDR Plan has reporting requirements, enter the appropriate lot name or enter each as “TO,” “DO,” or “Lot” followed by a blank space and the appropriate number.
19. Line M.30. PoP Start Date. And Line M.31. PoP End Date. Enter the start and end dates related to the contractual Period of Performance. Enter the appropriate numeric data for the year, month, and day (YYYYMMDD).
20. Line M.32. Appropriation. Enter the type of appropriation used to fund the entire contract or the particular contract line item being reported on. The appropriation type must agree with the type specified in Item 9c of the CSDR Plan:

    Enter “RDT&E” for Research, Development, Test and Evaluation

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Enter "Procurement" for Procurement
Enter "O&M" for Operation and Maintenance

If the data are in response to a solicitation leave Line M.32 blank.

21. Line M.33. Report Cycle. Enter "Initial," "Interim," or "Final" report, as appropriate (see General Instruction 1.e. above).
22. Line M.34. Submission Number. Enter the sequential submission number for the report.
23. Line M.35. Resubmission Number. A resubmission occurs if prior submission(s) for the submission event were officially rejected by the Government. Enter "0" (zero) for original submission. If the report is a resubmission, enter the resubmission number, starting with "1" for the first resubmission, "2" for the second resubmission, etc.
24. Lines M.36 through Line M.39. Preparer Contact Information. Enter the following information for the point of contact: Last Name, First Name, and Middle Initial (Line M.36); Department (Line M.37); Telephone Number, including Area Code (Line M.38); and E-Mail Address (Line M.39).
25. Line M.40. Date Prepared. Enter the date the report was prepared in the appropriate numeric format. The Date Prepared shall be updated if a resubmission occurs (YYYYMMDD). (See section v.)

3. *Specific Instructions*: Reported Data.
    1. Line U.1. Total Units To Date. For the WBS Element reported in Line U.1enter the total number of units from lines U.1.1 and U.1.2. Reported quantities must be consistent with the quantities reported in the Contractor Cost Data Reports as described in DoD 5000.04-M-1, Cost and Software Data Reporting (CSDR) Manual.
        i. EVMS-based approach is the preferred standard method for calculating these units. Material costs are treated in accordance with the company's EVMS system description. Report the result as the cumulative number of units to date for each hardware item. This number is expressed to the nearest tenth of a decimal (e.g., 4.3 units). The standard EVM based method is as follows:
            1. Isolate all control accounts for work packages that contain the variable labor and material cost associated with manufacture of hardware items. Only the variable costs are isolated. Use the "as of date" for the CSDR report being prepared.
            2. Calculate number of units completed to date based on the earned value:
            3. Sum the Budgeted Cost for Work Performed (BCWP) for the isolated control accounts/work packages.
            4. Sum the Budget at Complete (BAC) for the same control accounts.
            5. Calculate the fraction by dividing the results from step (a) by the result from step (b).
            6. Multiply the fraction from step (c) times the number of items to be manufactured.

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ii. Report the number resulting from step (d) to the nearest tenth of a decimal as the cumulative number of units to date for each hardware item.

iii. Reporting contractors can use an alternative method provided it is analytically based, consistently applied over time, and can be shown to produce a reasonably accurate and reliable calculation for estimating purposes. If an alternative calculation method is used, the methodology must be explained in Item 22 ("Remarks").

iv. For Contractor Logistics Support (CLS) Contracts. Enter the number of units to be maintained and procured under this contract. The Government will define the units to be reported, e.g., end items, major components. The breakout of units between Government deliveries and internal contractor use is not required on CLS contract reporting unless the Government, in coordination with the contractor, identifies and justifies the need for purposes of estimating costs.

2. Line U.1.1. Delivery Units To Date. Report the estimated cumulative number of Delivery Units to date. Delivery Units are procured to date and either delivered or to be delivered to the Government or Prime Contractor.
3. Line U.1.2. Internal Units To Date. Report the estimated cumulative number of Internal Units to date. Internal Units are units the contractor has produced or procured for internal use during contract performance to date (e.g., testing or spares).
4. Line U.2. Total Units At Complete. For the WBS Element reported in Lines U.2 enter the total number of units from lines U.2.1 and U.2.2. Reported quantities must be consistent with the quantities reported in the Contractor Cost Data Reports as described in DoD 5000.04-M-1, Cost and Software Data Reporting (CSDR) Manual.
   For Contractor Logistics Support (CLS) Contracts. Enter the number of units to be maintained and procured under this contract. The Government will define the units to be reported, e.g., end items, major components. The breakout of units between Government deliveries and internal contractor use is not required on CLS contract reporting unless the Government, in coordination with the contractor, identifies and justifies the need for purposes of estimating costs.
5. Line U.2.1. Delivery Units At Complete. Report the estimated cumulative number of Delivery Units to date. Delivery Units are procured to date and either delivered or to be delivered to the Government or Prime Contractor.
6. Line U.1.2. Internal Units At Complete. Report the estimated cumulative number of Internal Units to date. Internal Units are units the contractor has produced or procured for internal use during contract performance to date (e.g., testing or spares).
7. Columns F and G. Costs and Hours Incurred To Date – Fixed: One-Time / Static Fixed / Risk. For the Major Component WBS Element Code reported, enter One-Time / Static Fixed / Risk costs and hours incurred to date for each of the Functional Data Elements. See the "Definitions" section of this DID for a description of fixed cost activities.
8. Columns H and I. Costs and Hours Incurred To Date – Fixed: Period of

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Performance Driven. For the Major Component WBS Element Code reported, enter Period of Performance Driven costs and hours incurred to date for each of the Functional Data Elements. See the "Definitions" section of this DID for a description of fixed cost activities.

9. Columns J and K. Costs and Hours Incurred To Date—Variable. For the Major Component WBS Element reported, enter actual Variable costs and hours incurred to date for each of the Functional Data Elements. See the "Definitions" section of this DID for a description of variable cost activities.
10. Columns L and M. Costs and Hours Incurred At Complete – Fixed: One-Time / Static Fixed / Risk. For the Major Component WBS Element Code reported, enter One-Time / Static Fixed / Risk costs and hours incurred at complete for each of the Functional Data Elements. See the "Definitions" section of this DID for a description of fixed cost activities.
11. Columns N and O. Costs and Hours Incurred At Complete – Fixed: Period of Performance Driven. For the Major Component WBS Element Code reported, enter Period of Performance Driven costs and hours incurred at complete for each of the Functional Data Elements. See the "Definitions" section of this DID for a description of fixed cost activities.
12. Columns P and Q. Costs and Hours Incurred At Complete—Variable. For the Major Component WBS Element reported, enter actual Variable costs and hours incurred at complete for each of the Functional Data Elements. See the "Definitions" section of this DID for a description of variable cost activities.
13. Functional Data Elements. Lines 1 through 40. Enter actual incurred costs or hours to date and at completion, or a zero (rather than a blank) when costs or hours have not been incurred to date for the reporting period or when costs or hours have been estimated to be zero at completion.

    i. Line 1.0 Total Cost (With G&A).
    Enter the total cost (including General and Administrative cost (G&A)) for the WBS Reporting Element. (Sum of lines 1.1 and 1.2).

    ii. Line 1.1 Total Cost (Without G&A).
    Enter the total cost without General & Administrative cost (G&A) for the WBS Reporting Element. (Sum of Lines 1.1.1, 1.1.2, 1.1.3, and 1.1.4).

    iii. Line 1.1.1 Engineering:
    Enter the total Engineering dollars and hours (the sum of lines 1.1.1.1 and 1.1.1.2).

        1. Line 1.1.1.1. Direct Engineering Labor. Enter direct labor hours and dollars related to the Engineering function for the WBS Reporting Element.

        2. Line 1.1.1.2. Engineering Overhead. Enter overhead dollars related to the Engineering function for the WBS Reporting Element. Hours do not apply to the Overhead function.

    iv. Line 1.1.2. Manufacturing Operations:
    Enter the total Manufacturing Operations dollars and hours (the sum of

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lines 1.1.2.1, 1.1.2.2, 1.1.2.3, 1.1.2.4, and 1.1.2.5).

1. 1.1.2.1. Direct Tooling Labor. Enter direct labor hours and dollars related to the Tooling function for the WBS Reporting Element.
2. Line 1.1.2.2. Direct Tooling & Equipment. Enter materials and purchased tools dollars related to the Tooling function for the WBS Reporting Element. Hours do not apply to the Direct Tooling & Equipment
3. Line 1.1.2.3. Direct Quality Control Labor. Enter direct labor hours and dollars related to the Quality Control function for the WBS Reporting Element.
4. Line 1.1.2.4. Direct Manufacturing Labor Hours. Enter direct labor hours and dollars related to the Manufacturing function for the WBS Reporting Element.
5. Line 1.1.2.5. Manufacturing Operations Overhead (including Tooling and Quality Control). Enter overhead dollars related to the Tooling, Quality Control, and Manufacturing functions for the WBS Reporting Element. Hours do not apply to the Manufacturing Operations Overhead element.

14. Line 1.1.3. Program Management:
Enter the total Program Management hours and dollars (the sum of lines 1.1.3.1, 1.1.3.2, 1.1.3.3, 1.1.3.4, 1.1.3.5, and 1.1.3.6).

i. 1.1.3.1. Executive Leadership & Staff Labor. Enter direct labor hours and dollars related to the Executive Leadership & Staff function for the WBS Reporting Element.

ii. Line 1.1.3.2.. Product Assurance Labor. Enter labor hours and dollars related to the Product Assurance function for the WBS Reporting Element.

iii. Line 1.1.3.3. Production Engineering & Manufacturing Management Labor Hours. Enter direct labor hours and dollars related to the Production Engineering & Manufacturing Management function for the WBS Reporting Element.

iv. Line 1.1.3.4. Subcontractor and Proposal Management Labor. Enter the direct labor hours and dollars related to the Subcontract and Proposal Management Labor function for the WBS Reporting Element.

v. Line 1.1.3.5. Business Operations Integration Labor. Enter the direct labor hours and dollars related to the Business Operations Integration Labor function for the WBS Reporting Element.

vi. Line 1.1.3.6. Program Management Overhead Dollars. Enter the overhead dollars related to the Program Management for the WBS Reporting Element.

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15. Line 1.1.4. Materials: Enter the total Materials dollars for the WBS Reporting Element (the sum of lines 1.1.4.1, 1.1.4.2, 1.1.4.3, and 1.1.4.4). Hours do not apply to any Materials functions.

    i. Line 1.1.4.1. Raw Material Dollars. Enter the price paid for any crude or semi- fabricated materials incorporated into the manufacturing of the WBS Reporting Element. (See the "Definitions" section of this DID.)

    ii. Line1.1.4.2. Purchased Parts Dollars. Enter the price paid for any discrete components incorporated into an upper-level assembly in the manufacture of the WBS Reporting Element. Purchased parts are distinguished from purchased equipment by their relatively lower cost and complexity. (See the "Definitions" section of this DID.)

    iii. Line 1.1.4.3. Purchased Equipment Dollars. Enter the price paid for assembled items and subassemblies designed to be incorporated with other components into the manufacture of the WBS Reporting Element. Purchased equipment is distinguished from purchased parts by its relatively higher cost and complexity. (See the "Definitions" section of this DID.)

    iv. Line 1.1.4.4. Material Handling Overhead Dollars. Enter the cost in terms of dollars related to ordering, receiving, inspecting, and controlling material until it is requisitioned for use in production.

16. Line 1.1.5. Total Subcontractor/IWO Dollars. Enter the total price of all the subcontracts and IWOs on the Major Component WBS Reporting Element. In Item 22 ("Remarks"), list each subcontractor/IWO company name.

17. Line 1.1.6. Other Costs Not Shown Elsewhere. Enter all costs for the WBS Reporting Element not assigned to the functional categories (Engineering, Manufacturing Operations, Program Management and Materials). If the total of this category is greater than or equal to 10% of the total cost for this WBS Reporting Element, provide a descriptive list of costs which comprise this category in the Remarks.

18. Line 1.2 General & Administrative Costs. Enter G&A costs for the WBS Reporting Element. Hours do not apply to the G&A functional element. If G&A is not captured directly at the Major Component WBS Reporting Element, provide a description of G&A cost allocation in the Remarks.

19. Lines R.1 and R.2. Remarks.

    i. Enter Remarks in Column E on Line R.1. If additional space is required, enter further Remarks on Line R.2.

    ii. Note any relevant information that could be used in the interpretation of the data provided in this report.

    iii. Include the following (if applicable):

        1. For contractors that have direct-reporting subcontractors, identify each direct- reporting subcontractor, including any Government entity, by name, city, state, and subcontract

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price.

2. The cost composition details of Line 1.1.6 (“Other Costs Not Shown Elsewhere”) if the total amount of dollars shown in Line 1.1.6 is greater than or equal to 10% of the total cost of the WBS Reporting Element.
3. The method of G&A allocation to the Major Component Reporting WBS if the G&A cost is collected at a higher level.

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4. *Instructions for CLS Contracts.*

DID Section	**Comment for CLS**
Preparation Instructions. 1.5	Interim and Final CLS reports will be as-of the end of the Government fiscal year, with report due dates calculated accordingly. For reporting on a multiyear CLS contract, provide both annual and total data, as for a multiyear procurement contract.
Preparation Instructions. 3.19	Manufacturing includes maintenance and sustainment operations.
Preparation Instructions. 3.19.i	Raw Material includes consumables.
Preparation Instructions. 3.19.ii	Purchased Parts includes repair parts.
Preparation Instructions. 3.19.iii	Purchased Equipment includes reparable items, which can include items and subassemblies that represent the WBS reporting element. It also includes Non-Direct-Reporting Government-Entity Subcontractors. Specify the aggregate amount for Non-Direct-Reporting Government-Entity Subcontractors in Item 22 (“Remarks”).
Preparation Instructions. 3.20	In some instances the subcontractor can be a Government entity such as in public/private partnerships between Government and industry for depot activities. Include Government-Entity Subcontractor Dollars in Total Subcontractor/IWO Dollars.
Definitions. 5.16 Manufacturing	“Manufacturing” includes sustainment and maintenance (the effort required to preserve an item in an appropriate operational condition; and includes the cost of labor, materials, purchased or repair parts and other costs used to maintain a system, subsystem or reparable item).
Definitions. 5.17 Manufacturing Operations	Manufacturing Operations includes the sustainment and maintenance work that is a part of Manufacturing, as defined above.
Definitions. 5.11 Fixed and Variable Costs	Sustainment/maintenance, like production, is divided into variable (including reparable items) and fixed (including pre-maintenance and maintenance line set-up).

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5. Definitions.

    1. Associate Contractor. Any prime contractor whose contract with the Government requires joint participation with other prime contractors to accomplish the Government's requirement. Joint participation involves the potential sharing of information, data, technical knowledge, expertise, and resources essential to the integration of the common requirement. Such participation is intended to ensure the greatest degree of cooperation to meet the terms of the contract in satisfying the common requirement.

    2. At Completion. The expected total cost when the defined scope of work has been completed. For contracts that are underway but not yet completed, this translates to the sum of costs incurred to date plus the estimate of costs (direct and indirect) for work remaining. For contracts that are complete, costs incurred to date are equal to the costs incurred at completion.

    3. Business Operations Integration. A functional cost category of the Program Management element that includes the effort and costs expended in the implementation and oversight of finance and business operations. Activities typically includes: the implementation and execution of integrated program management systems; proposal development; contract negotiation and administration; the preparation and delivery of financial, cost, and earned value data; the scheduling and planning of support activities; and the implementation and execution of business cost control measures.

    4. Costs Incurred. Costs identified through the use of the accrual method of accounting and reporting or otherwise actually paid. Such costs include the cost of direct labor, direct materials, and direct services identified with and necessary for the performance of a contract, as well as all properly allocated and allowable indirect costs shown in the contractor's records.

    5. Direct Labor Dollars. Dollars that can be specifically and consistently identified or assigned to a particular cost objective (e.g., work order).

    6. Direct Labor Hours. Direct labor hours are hours that can be specifically and consistently identified or assigned to a particular cost objective (e.g., work order).

    7. Direct-Reporting Subcontractor. A subcontractor that is contractually required to submit FVCRs directly to the Government as required by the Government-approved CSDR Plan. In some instances the subcontractor can be a Government entity such as in public/private partnerships between Government and industry for depot activities.

    8. Engineering. A functional category that includes the effort and costs expended in the scientific exploration, study, analysis, design, development, evaluation, and redesign of a specific task or WBS element. Engineering also includes preparation of specifications, drawings, parts lists, and wiring diagrams; technical coordination between engineering and manufacturing; coordination of suppliers; planning for and scheduling of tests; analysis of test

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results; reduction of data; and preparation of reports. It also includes the determination and specification of requirements for reliability, maintainability, and quality control.

9. Executive Leadership & Staff. A functional cost category of the Program Management element that includes the effort and costs expended in the essential oversight to ensure that a specific task or WBS element is planned, controlled, scheduled, monitored, and reported in accordance with program objectives.

10. Final Report. A FVCR submitted when the contractual effort is entirely or substantially complete.

11. Fixed and Variable Costs. The following guidelines for distinguishing between fixed and variable costs apply to all reporting contractors (i.e., prime contractors, associate contractors, subcontractors, and lower-tier subcontractors). Designation of costs as Fixed or Variable is irrespective of program life cycle or phase. Systems Engineering and Program Management (SE/PM) tasks are designated as Fixed or Variable based on the underlying activities being supported.

    i. Fixed Cost. The costs of an activity (manufacturing, production, assembly, operation, maintenance, etc.) that do not vary significantly with the measure of the product or service output. Fixed costs will be incurred regardless of the output of the system, the starting point scope of fixed costs are often determined by factors that can be controlled such as design, capacity planning, and infrastructure scope and business process steps. Includes the cost to maintain physical infrastructure, information flows, and workforce at basic levels necessary to supply a range of required demand such as launch rate or production rate. Fixed costs also include non-repetitive elements of development, investment, and sustainment costs that do not vary with the quantity being produced or maintained, irrespective of system life cycle phase and appropriation. Fixed costs are broken into two categories:

        1. One-Time, Static Fixed, and Risk. One-Time, Static Fixed, and Risk costs include all fixed costs that will not vary based on the contract period of performance. Typically, these costs include non-repetitive tasks such as: system development and design, safety reviews, audits, risk mitigation, production of support and training equipment, and infrastructure set-up.

        2. Period of Performance Driven. Period of Performance Driven costs are the fixed costs where the duration of the activity is the primary cost driver. Period of Performance costs are required to maintain physical infrastructure, information flows, and workforce required to support a range of required product/service outputs. Typically, these costs include ongoing activities such as business management, quality support, planning, reporting, and requirements management.

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ii. Variable Costs. Variable costs are the costs of an activity (manufacturing, production, assembly, operation, maintenance, etc.) that vary with the measure of the product or service output. Variable cost categories include procurement, production, and maintenance activities; acceptance testing; maintenance and support equipment; test articles built to an operational configuration; and certain elements of Systems Engineering and Program Management (SE/PM). Examples of procurement and production activities include fabrication; assembly; procurement of raw materials, purchased parts and equipment, and major and minor subcontracts; integration; installation and checkout; and quality inspection efforts. Examples of variable maintenance and support activities include product and tooling maintenance (to restore a product/tool to its original condition); initial spares, reparable items and simulators; reproduction of maintenance/technical data; and courseware updates. Variable test articles are only those units built to a completed operational configuration, including full-scale, fatigue/static, and avionics equipment test articles.

12. Indirect Costs. Costs that cannot be identified specifically with or traced to a single cost objective in an economically feasible way.

13. Initial Report. A preliminary report used to verify the contractor's capability to prepare and submit the FVCR in accordance with the DID and the Government-approved CSDR Plan.

14. Inter-company Work Order (IWO). A contractual arrangement between a parent company and a related entity or wholly owned subsidiary to provide supplies or services. Also known as: Intracompany Work Transfer Agreement (IWTA).

15. Interim Report. Any report other than the Initial Report that is prepared before submission of a Final Report.

16. Manufacturing. A cost element of the Manufacturing Operations functional category. Manufacturing includes the effort and costs expended in the fabrication, assembly, integration, and functional testing of a product or end item. It involves all the processes necessary to convert raw materials into finished items. Manufacturing includes manufacturing engineering effort and costs expended in preproduction planning, production engineering, and production planning.

17. Manufacturing Operations. A functional category that includes the effort and costs expended in converting raw materials into finished items and such other elements as tooling and quality control efforts and costs.

18. Materials. A functional cost category that includes the basic elements, constituents, or substances of which something is composed. These elements are incorporated into the finished product or end-item or are consumed in the course of producing the finished product or end-item. Materials includes direct costs for raw materials, purchased parts, purchased equipment, and direct-reporting

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subcontracts, as well as indirect costs for material handling/overhead.

19. Material Handling Overhead. A cost element of the Materials functional category. It comprises the portion of indirect costs attributable to procured or subcontracted products, including the cost of purchasing, expediting, and storing materials, parts, equipment, and assemblies.

20. Other Costs Not Shown Elsewhere. Costs not assigned to the Engineering, Manufacturing Operations, Program Management, Subcontracts/IOTs, or Materials functional cost categories are included in Other Costs Not Shown Elsewhere. This category includes other direct costs, security, royalty, license fees, transportation, preservation, packaging, and applicable Federal excise tax.

21. Overhead (All Functions). Overhead consists of all indirect costs, except general and administrative expenses, that are properly chargeable for the specified WBS Reporting Element. For example, Engineering Overhead includes the cost of directing and supporting all Engineering-organization-related activities that cannot be assigned to specific contracts. Engineering Overhead typically includes supervision, policy and procedures, training, administration, and so on. Likewise, Manufacturing Operations Overhead includes the costs of directing and supporting all Manufacturing-organization-related activities that cannot be assigned to specific contracts. It typically includes supervision, policies and procedures, training, administration, time standards setting, manufacturing research, and so on.

22. Prime Contract. A contractual arrangement between a prime contractor and the Government that creates a direct legal relationship between the prime contractor and the Government.

23. Prime Contractor. For the purposes of CSDR reporting, a prime contractor is any contractor that has a direct contract with the Government. The name and address of the prime contractor is provided in Section A of the contract (Standard Form 26, Item 7). Any other contractor associated with the contract is considered to be an associate or a subcontractor.

24. Product Assurance. A functional cost category of the Program Management element that includes the cost and effort expended in order to implement and manage activities that ensure that delivered products meet customer requirements. Product Assurance activities typically include the development and implementation of: quality assurance programs, failure reporting systems, process verification reviews, and component acceptance testing procedures.

25. Production Engineering and Manufacturing Management. The application of design and analysis techniques to produce a specified product. Included are the functions of planning, specifying, and coordinating the application of required resources; performing analyses of producibility and production operations, processes, and systems; applying new manufacturing methods, tooling, and equipment; controlling the introduction of engineering changes; and employing cost-control techniques.

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26. Program Management. A functional category that includes the resources and cost expended to manage, direct, and control all effort contributing to the development, production, fielding, operation, or sustainment of the major component WBS element.

27. Purchased Parts. A cost element of the Materials functional category that includes items that are discrete components used in an upper-level assembly. Purchased parts are distinguished from purchased equipment by their relatively lower cost and complexity. Examples include fasteners, clips, clamps, nuts, bolts, washers, nails, screws, valves, and plumbing and electrical fittings and fixtures.

28. Purchased Equipment. A cost element of the Materials functional category that includes assembled items and subassemblies designed to be incorporated with other components into a finished product. Purchased equipment is distinguished from purchased parts by its relatively higher cost and complexity. Examples include structural components such as wings, horizontal and vertical tails, and fuselage; avionics equipment such as radios, inertial navigation systems, radar systems, and electronic countermeasures; and hydraulic, pneumatic, and electrical subassemblies such as landing gear, canopy actuation systems, and wire harnesses.

29. Quality Control. A cost element of the Manufacturing Operations functional category that includes the effort and costs expended in checking, physically inspecting, measuring, testing, or otherwise verifying that products and services conform to established technical requirements and that satisfactory performance is achieved.

30. Raw Materials. A cost element of the Materials functional category that includes items that are crude, semi-fabricated, or partially processed materials or components that have not yet been made into a definite functional item or configuration. Examples include consumable items for fabrication, castings, forgings, pressings, sheet metal, plate, tubing, bars, rebar, rods, wires, cables, fabrics, and conduits.

31. Subcontract. A contractual arrangement between a prime contractor and one or more other contractors in which the Government has no direct legal relationship. In a subcontract, a direct legal relationship exists only between the prime contractor and one or more other contractors. A subcontract includes any agreement, purchase order, or contractual instrument other than a prime contract calling for supplies or services required for the performance of one or more prime contracts. It usually covers procurement of major components or subsystems that require the subcontractor(s) to do extensive design, development, engineering, and testing to meet a prime contractor's procurement specifications.

32. Subcontracts and Proposal Management. A functional cost category of the Program Management element that includes the cost and effort expended to provide management oversight of subcontracts and procurement. Subcontracts management activities typically include development of subcontract Requests

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for Proposal (RFPs); evaluation, source selection, and negotiation of subcontractor proposals; and evaluation and management of ongoing subcontractor efforts.

33. Tooling. A labor cost element of the Manufacturing Operations functional category that includes the effort and costs expended to acquire, manufacture, maintain, or replace original equipment and manufacturing aids.

34. Tooling & Equipment. A material cost element of the Manufacturing Operations functional category that includes the cost associated with materials and equipment used in the manufacture of dies, jigs, fixtures, molds, gauges, handling equipment, work platforms, and test equipment for the fabrication and testing of the specific WBS Reporting Element. It also includes the cost of tools the reporting contractor normally purchases that require negligible in-house effort to assemble into the final tool configuration, such as special welding heads, X-ray heads, attaching fixtures, control panels, and consoles.

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Security Classification:

Fixed and Variable Cost Report

Line (A)	Line Type (B)	Line Level (C)	Functional Category or Metadata Type (D)	Metadata Value (E)	Fixed: One Time / Static Fixed / Risk Hours K To Date (F)	Fixed: One Time / Static Fixed / Risk Cost $K To Date (G)	Fixed: Period of Performance Driven Hours K To Date (H)	Fixed: Period of Performance Driven Cost $K To Date (I)	Variable: Quantity Driven Hours K To Date (J)	Variable: Quantity Driven Cost $K To Date (K)	Fixed: One Time / Static Fixed / Risk Hours K At Complete (L)	Fixed: One Time / Static Fixed / Risk Cost $K At Complete (M)	Fixed: Period of Performance Driven Hours K At Complete (N)	Fixed: Period of Performance Driven Cost $K At Complete (O)	Variable: Quantity Driven Hours K At Complete (P)	Variable: Quantity Driven Cost $K At Complete (Q)
M.1	Metadata	1	Report As Of													
M 2	Metadata	1	Major Component WBS Element Number													
M 3	Metadata	1	Major Component WBS Element Name													
M 4	Metadata	1	Program Name													
M.5	Metadata	1	Program Phase/Milestone													
M.6	Metadata	1	Prime Mission Product													
M.7	Metadata	1	Reporting Organization Type													
M 8	Metadata	1	Organization Name													
M 9	Metadata	1	Organization Address Line 1													
M 10	Metadata	1	Organization Address Line 2													
M.11	Metadata	1	Organization Address City													
M.12	Metadata	1	Organization Address State													
M.13	Metadata	1	Organization Address Zip													
M 14	Metadata	1	Division Name													
M 15	Metadata	1	Division Address Line 1													
M 16	Metadata	1	Division Address Line 2													
M.17	Metadata	1	Division Address City													
M.18	Metadata	1	Division Address State													
M 19	Metadata	1	Division Address Zip													
M 20	Metadata	1	Approved Plan Number													
M 21	Metadata	1	Customer													
M.22	Metadata	1	Contract Type													
M.23	Metadata	1	Contract Price													
M.24	Metadata	1	Contract Ceiling													
M 25	Metadata	1	Contract Number													
M 26	Metadata	1	Latest Modification													
M 27	Metadata	1	Solicitation Number													
M.28	Metadata	1	Contract Name													
M.29	Metadata	1	Order/Lot No													
M.30	Metadata	1	PoP Start Date													
M 31	Metadata	1	PoP End Date													
M 32	Metadata	1	Appropriation													
M 33	Metadata	1	Report Cycle													
M.34	Metadata	1	Submission Number													
M.35	Metadata	1	Resubmission Number													
M.36	Metadata	1	Preparer Name													
M 37	Metadata	1	Preparer Department													
M 38	Metadata	1	Preparer Telephone Number													
M 39	Metadata	1	Preparer Email Address													
M.40	Metadata	1	Date Prepared													
U.1	**Units**	**1**	**Total Units To Date**													
U 1 1	Units	2	De ivery Units To Date													
U 1 2	Units	2	Internal Units To Date													
U.2	**Units**	**1**	**Total Units At Complete**													
U.2.1	Units	2	De ivery Units At Complete													
U.2.2	Units	2	Internal Units At Complete													
1.0	**Summary**	**1**	**Total Cost (With G&A)**		N/A		N/A		N/A		N/A		N/A		N/A	
1.1	**Summary**	**2**	**Total Cost (Without G&A)**		N/A		N/A		N/A		N/A		N/A		N/A	
1.1.1	**Summary**	**3**	**Engineering**													
1.1.1.1	Data	4	Direct Engineering Labor													
1 1 1 2	Data	4	Engineering Overhead		N/A		N/A		N/A		N/A		N/A		N/A	
1.1.2	**Summary**	**3**	**Manufacturing Operations**													
1 1 2 1	Data	4	Direct Tooling Labor													
1 1 2 2	Data	4	Direct Tooling & Equipment		N/A		N/A		N/A		N/A		N/A		N/A	
1.1.2.3	Data	4	Direct Quality Control Labor													
1.1.2.4	Data	4	Direct Manufacturing Labor													
1 1 2 5	Data	4	Manufacturing Operations Overhead		N/A		N/A		N/A		N/A		N/A		N/A	
1.1.3	**Summary**	**3**	**Program Management**													
1 1 3 1	Data	4	Executive Leadership & Staff Labor													
1.1.3.2	Data	4	Product Assurance Labor													
1.1.3.3	Data	4	Production Engineering & Manufacturing Management Labor													
1.1.3.4	Data	4	Subcontract & Proposal Management Labor													
1 1 3 5	Data	4	Business Operations Integration Labor Hours													
1 1 3 6	Data	4	Program Management Overhead Do lars		N/A		N/A		N/A		N/A		N/A		N/A	
1.1.4	**Summary**	**3**	**Material**		N/A		N/A		N/A		N/A		N/A		N/A	
1.1.4.1	Data	4	Raw Material Dollars		N/A		N/A		N/A		N/A		N/A		N/A	
1.1.4.2	Data	4	Purchased Parts Dollars		N/A		N/A		N/A		N/A		N/A		N/A	
1.1.4.3	Data	4	Purchased Equipment Dollars		N/A		N/A		N/A		N/A		N/A		N/A	
1 1 4 4	Data	4	Material Handling Overhead Dollars		N/A		N/A		N/A		N/A		N/A		N/A	
1 1 5	Data	3	Subcontractor/IWO Dollars		N/A		N/A		N/A		N/A		N/A		N/A	
1 1 6	Data	3	Other Costs Not Shown Elsewhere (Specify In Remarks)													
1.2	Data	2	General & Administrative Cost		N/A		N/A		N/A		N/A		N/A		N/A	
R.1	**Remarks**	**1**	**Remarks (1/2)**													
R.2	**Remarks**	**1**	**Remarks (2/2)**													

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Table 1. Example Fixed and Variable Cost Report

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