

**BY ORDER OF THE COMMANDER
AIR FORCE MATERIEL COMMAND**

AFMC POLICY DIRECTIVE 65-2

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Financial Management

**AIR FORCE MATERIEL COMMAND COST
ANALYSIS PROGRAM**

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This directive does not apply to the Air National Guard or US Air Force Reserve units and members.

SUMMARY OF REVISIONS

This revision aligns the directive to the new format, there are no major revisions.

1. Direction. This Directive establishes the Air Force Materiel Command (AFMC) Cost Analysis Program, specifies its objectives and functions, and assigns responsibilities for the conduct of the program within Air Force Materiel Command.

2. Purpose and objectives of the Cost Analysis Program. This program is intended to foster the development of cost analysis concepts, methods, procedures, and databases. The program is intended to provide reliable and timely cost information to aid decision makers and use in the Planning, Programming and Budgeting System (PPBS). Special emphasis is placed on:

- 2.1. Assuring cost estimates are reviewed for sufficiency, are properly documented, and reflect the most current program direction and Cost Analysis Requirements Description.
- 2.2. Providing cost analysis support to using commands performing cost studies and in support of Mission Element Boards (MEB).

3. Implementation of the Program. The Division of Cost (AFMC/FMC) will administer the AFMC Cost Analysis Program.

4. Functions of the Program. To require the use of acceptable cost analysis methods, factors, cost estimating relationships, automated cost models, software, and databases to support decision makers in preparation of cost estimates as required for the Air Force decision process.

5. Responsibilities of AFMC/FMC. AFMC/FMC will facilitate the training of the cost analysis organizations within the command to carry out cost analysis-related responsibilities to include:

- 5.1. Giving overall guidance for carrying out Department of Defense, Air Force, and AFMC cost analysis policies.
- 5.2. Implementing an AFMC-wide program for conducting cost analysis research and methods development.
- 5.3. Making AFMC policy and procedures for applying inflation factors for cost estimates and budget submissions.
- 5.4. Conducting special cost analysis studies in support of the AFMC Comptroller and the AFMC/CC.
- 5.5. Implementing and conducting a cost analysis professional development program.

6. Air Force Materiel Command Center and Laboratory Cost Analysis. AFMC Center and Laboratory cost analysis organizations will carry out the cost analysis related responsibilities under the functional control of the Center or Laboratory Comptroller.

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