

# **Environmental DeRating as a Cost Driver**

by

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# Environmental DeRating as a Cost Driver

## Presentation Outline

- n **Introduction and Overview**
  - Overview, Purpose, Goals, Study Methodology
- n **Manufacturing Complexity Param Development**
- n **Vehicle Operating Speed versus Specm**
- n **Environmental Derating Factor versus Specm**
- n **Summary**
  - Conclusions and Recommendations
  - Author Biographies

# Environmental DeRating as a Cost Driver

## Abstract

- n One of the most significant cost drivers of any system is the environment in which the system will be operated. Today's cost models are generally based on a discrete environment model. Using a discrete model to describe something as continuous as environment will not guarantee adequate sensitivity. To increase cost model sensitivity for systems operating in different environments, a sub-model has been developed to describe and measure cost effects using reliability environmental de-rating factors as a basis for calculations.
- n In this paper, the environmental de-rating factors from MIL-HDBK-217 D are correlated to the platform values used in the PRICE Systems Hardware cost model to derive a more sensitive platform table. An example is the dissection of the military airborne platform into values for trainers, fighters, attack, bombers, and transports.

# Purpose and Objectives

## n **Develop Param algorithm**

- Provide continuous function generator for MCPLXe/s
- Calibrate new Platform ‘Specm’ values
- Normalize thousands of MCPLXe/s values to any Platform value

## n **Increase understanding of Platform**

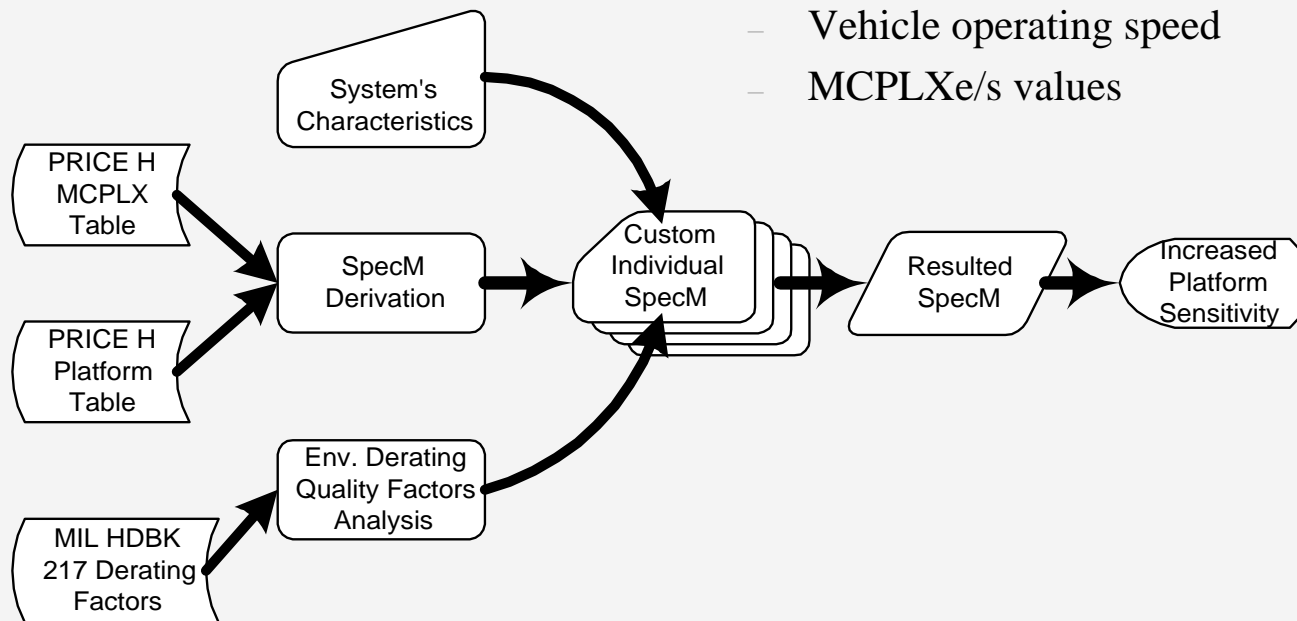
- Higher fidelity
- Add drivers
  - n Environmental de-rating factors
  - n Operating speed
- Extrapolate beyond Platform 2.5

## n **Study scope excludes the effects of business culture and reliability/maintainability upon Platform**

# Study Methodology

## n Develop interrelationships between

- the PRICE Platform table
- Mil-Hdbk-217 de-rating factors
- Vehicle operating speed
- MCPLXe/s values



# PRICE-H Platform and MCPLXs Values

Platform= The operating environment of the equipment  
 MCPLXe = Manufacturing Complexity of electronics

Typical Price H PLTFM Value

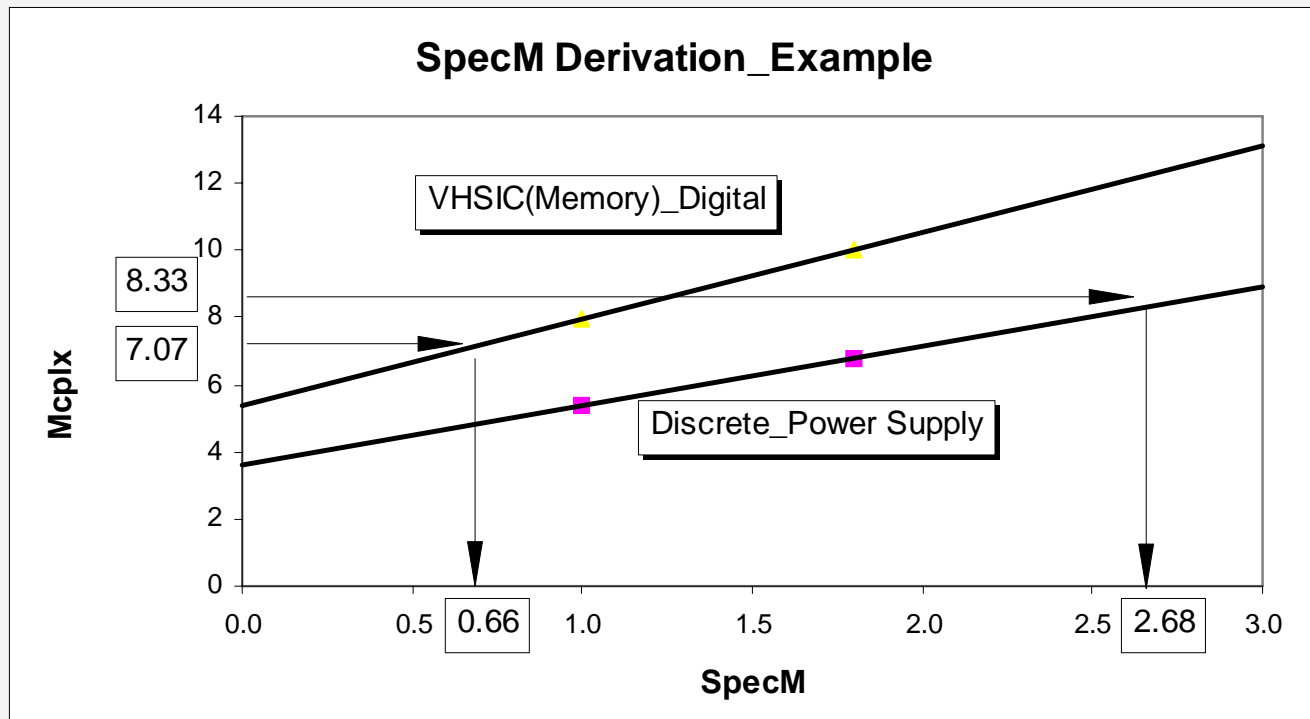
<u>Operating Environment</u>	<u>PLTFM Value</u>
Ground	
Benign	0.6
Commercial	0.8
High Grade Commercial	0.9
MIL Spec	1.0
Mobile	
Commercial	1.2
MIL Spec	1.4
Airborne	
Commercial	1.7
MIL Spec	1.8
Space	
Unmanned	2.0
Manned	2.5

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	Price H Mx								@1.8 pfm slope
	0.6	0.8	1.0	1.4	1.7	1.8	2.0	2.5	
<b>DISCRETES</b>									
Analog, Audio	5.58	5.91	6.26	7.02	7.66	7.88	9.08	9.67	2.03
Analog, RF/Video	5.68	6.01	6.37	7.15	7.79	8.02	9.24	9.84	2.06
Digital	5.37	5.69	6.03	6.77	7.38	7.59	8.75	9.32	1.95
Display	5.28	5.59	5.92	6.64	7.24	7.45	8.59	9.15	1.92
No-CRT	5.17	5.48	5.80	6.51	7.10	7.30	8.41	8.96	1.88
Transmitter	5.77	6.11	6.47	7.26	7.92	8.15	9.38	10.00	2.10
Power Supply	4.80	5.09	5.39	6.05	6.59	6.79	7.82	8.33	1.75
<b>SSIC</b>									
Analog, Audio	5.71	6.05	6.41	7.19	7.84	8.07	9.30	9.90	2.08
Analog, RF/Video	5.83	6.17	6.54	7.34	8.00	8.24	9.49	10.11	2.12
Digital	5.51	5.83	6.18	6.93	7.56	7.78	8.96	9.55	2.00
Display	5.43	5.75	6.09	6.83	7.45	7.67	8.83	9.41	1.97
No-CRT	5.35	5.66	6.00	6.73	7.34	7.56	8.70	9.27	1.95
Transmitter	5.92	6.27	6.60	7.45	8.12	8.36	9.63	10.26	2.15
Power Supply	4.95	5.24	5.55	6.23	6.79	6.99	8.05	8.58	1.80
<b>MSIC</b>									
Analog, Audio	5.85	6.19	6.56	7.36	8.03	8.26	9.51	10.14	2.13
Analog, RF/Video	5.89	6.24	6.61	7.42	8.09	8.32	9.59	10.21	2.14
Digital	5.64	5.98	6.33	7.10	7.74	7.97	9.18	9.78	2.05
Display	5.55	5.88	6.23	6.99	7.62	7.84	9.04	9.63	2.02
No-CRT	5.47	5.80	6.14	6.89	7.51	7.73	8.91	9.49	1.99
Transmitter	5.98	6.33	6.71	7.53	8.21	8.45	9.73	10.37	2.17
Power Supply	5.00	5.30	5.61	6.30	6.86	7.06	8.14	8.67	1.82
<b>LSI</b>									
Analog, Audio	5.97	6.32	6.70	7.52	8.20	8.44	9.72	10.35	2.17
Analog, RF/Video	6.02	6.37	6.75	7.57	8.26	8.50	9.79	10.43	2.19
Digital	5.77	6.11	6.47	7.26	7.92	8.15	9.38	10.00	2.10
Display	5.71	6.05	6.41	7.19	7.84	8.07	9.30	9.90	2.08
No-CRT	5.61	5.95	6.30	7.07	7.71	7.93	9.14	9.73	2.04
Transmitter	6.10	6.47	6.85	7.69	8.38	8.63	9.94	10.58	2.22
Power Supply	5.06	5.36	5.68	6.37	6.95	7.15	8.24	8.78	1.84
<b>VLSI</b>									
Analog, Audio	6.26	6.64	7.03	7.89	8.60	8.85	10.20	10.86	2.28
<b>Analog, RF/Video</b>									
Digital	6.06	6.42	6.80	7.63	8.32	8.56	9.86	10.51	2.20
Display	6.00	6.35	6.73	7.55	8.23	8.47	9.76	10.40	2.18
No-CRT	5.92	6.27	6.64	7.45	8.12	8.36	9.63	10.26	2.15
Transmitter	6.31	6.68	7.08	7.94	8.66	8.92	10.27	10.94	2.30
Memory	6.12	6.49	6.87	7.71	8.40	8.65	9.96	10.62	2.23
<b>VHSIC (Gate Array)</b>									
Digital	7.26	7.69	8.15	9.15	9.97	10.26	11.82	12.59	2.64
Display	7.19	7.62	8.07	9.06	9.87	10.16	11.70	12.47	2.61
No-CRT	7.09	7.51	7.96	8.93	9.74	10.02	11.54	12.30	2.58
<b>VHSIC (Memory)</b>									
Digital	7.07	7.49	7.93	8.90	9.70	9.99	11.50	12.25	2.57
Display	7.00	7.41	7.85	8.81	9.60	9.88	11.39	12.13	2.54
No-CRT	6.92	7.33	7.77	8.72	9.51	9.78	11.27	12.01	2.52

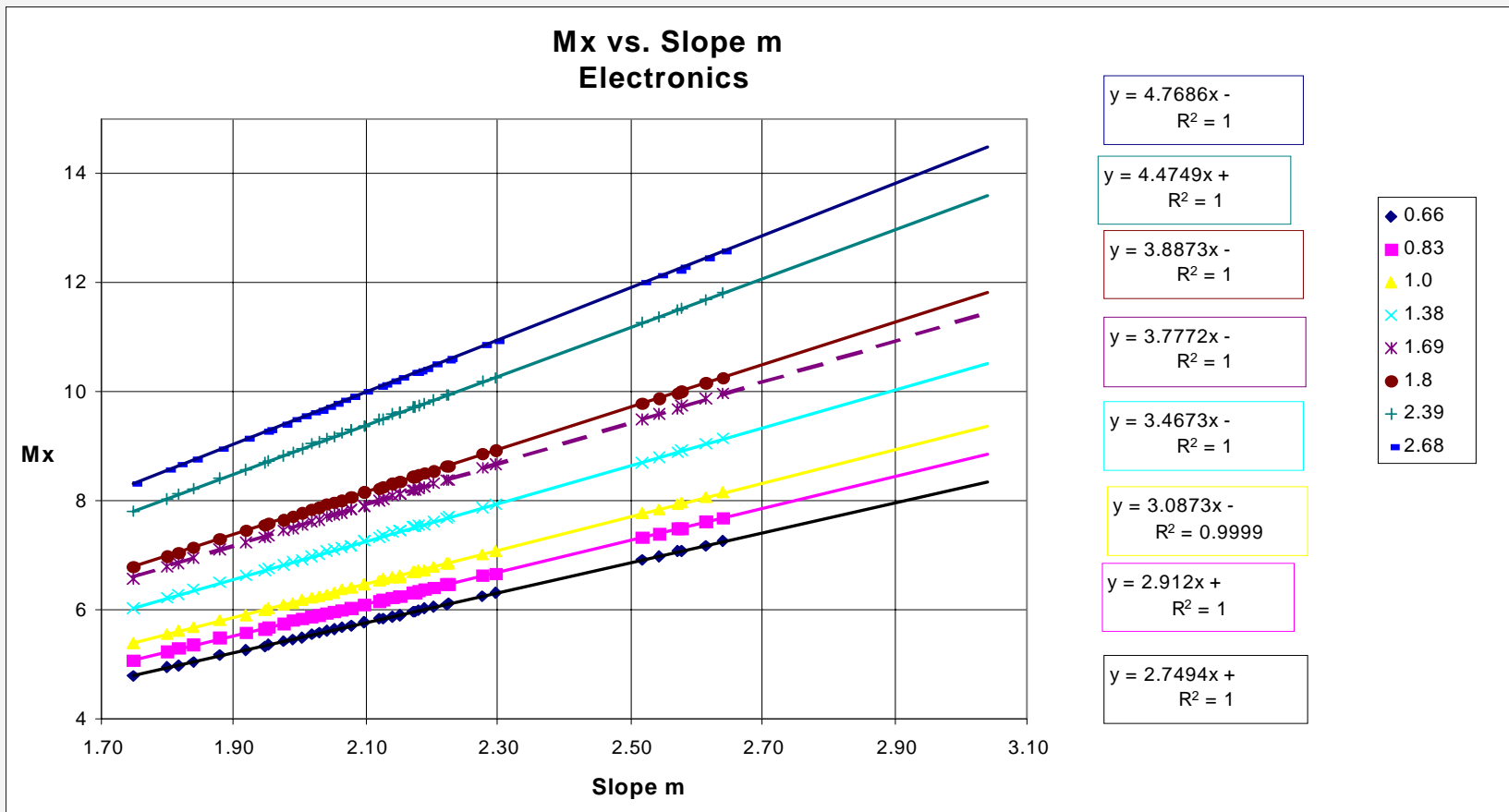
# Baseline SPECm Derivation

- n Plot MCPLXe values for Platforms 1.0 and 1.8 for each equipment type (x1,y1), (x2,y2)
- n Perform linear regression on the two points for each equipment type  $MCPLXe=a(SPECm)+b$
- n Derive new SPECm values for each MCPLXe value from other Platforms



# Param Algorithm Development

## n Equation development and non-baseline SPECm value determination

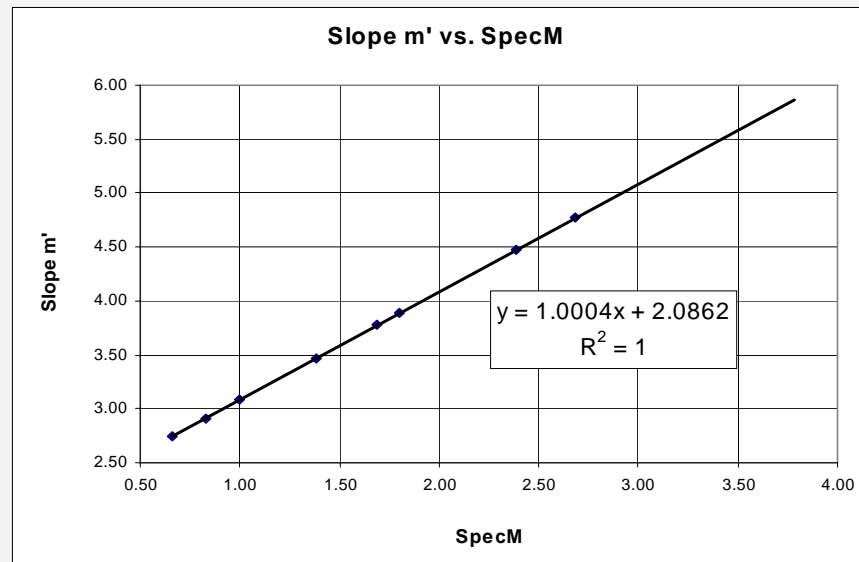


# Manufacturing Complexity Param Development

- n 1. Choose baseline platforms.  
n (ex. MCPLXs=y1 at Platform 1.0 and MCPLXs=y2 at Platform 1.8)
- n 2. Plot MCPLXs values for baseline platforms.  
n X1 to Y1 and X2 to Y2
- n 3. Solve for linear solution;  $Y_i = aX_i + b$  and  $X_i = (Y_i - b)/a$
- n 4. For all other MCPLXs values, derive Platform values as a function of the linear solution. These Platform values are renamed SPECm for Manufacturing Specifications.
- n 5. Take average of  $X_i$  (SPECm) values for corresponding MCPLXs values.
- n 6. Redefine X axis as SPECm.
  - The values are similar to platform values
  - Allows simple smooth transition and mathematics between environmental levels
  - Platform values were originally multipliers on hours per drawing in development
  - Plotting MCPLXe/s values against platform values was incidental

# Param Slope Analysis

- n Higher manufacturing complexities sustain higher rate of increase as SPECm increases
- n The rate of increase is consistent
- n Slope coefficient modeling enables horizontal and vertical extrapolation possible



$$Mcplx_1 = (Mcplx_0 * m_0 + b_0) * (1.0004 * SpecM_1 + 2.0862)$$



# SPECm versus Speed

- Typical vehicle operating speeds correlate well with derived SPECm values
- SPECm can be derived for subsonic, supersonic and hypersonic vehicle speeds and associated equipment
- Note that speed requirements increase vibration, radiation, compaction, power and efficiency requirements

## Regression: Speed vs Specm

Guidelines: Manned, Reuseable

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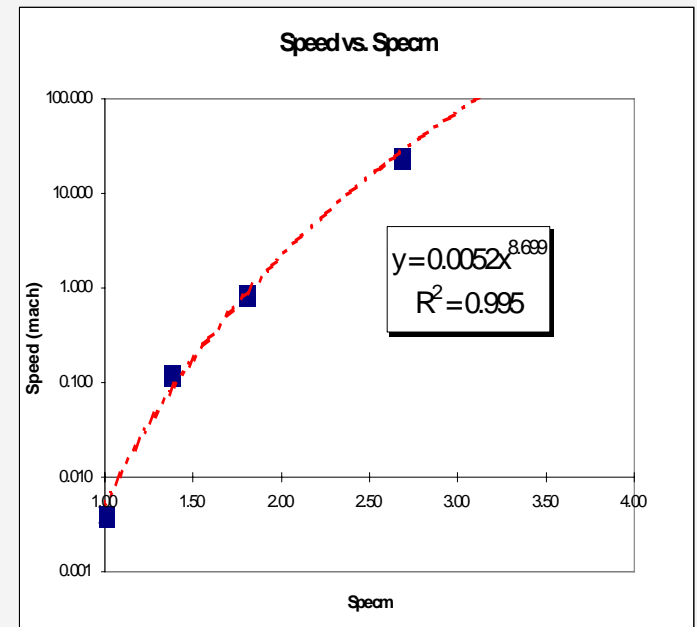
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Man Tended Specm	Specm	Speed (mach)	Data Used	Pred y	Error y	mph	
Grd Stationary	1.00	0.004	Yes	0.01	0.00	3	0.1012
Ground Mobile	1.38	0.12	Yes	0.08	-0.04	90	0.1012
Military Airborne	1.80	0.86	Yes	0.86	0.00	635	1.00
Manned Space (Orbit)	2.68	24.29	Yes	27.32	3.03	18,000	
	6.86	25.27	4 Power		0.77		

ALGORITHM

FORM	X	Y	R <sup>2</sup>	Form Select	Intcpt A	Slope B
Linear $y=b*x+a$	lin	lin	0.818	-----	-19.45262	15.0269
Expon $y=a*e^(bx)$	lin	log	0.958	-----	0.00007	4.9368
Power $y=a*x^b$	log	log	0.995	1	0.00515	8.6990
Logrth $y=a+b*ln(x)$	log	lin	0.695	-----	-5.02666	23.9391



# Composite DeRating Factor Development

				De-Rating Factor (Df)					Df	Base	Derieved
Environment		Code	IC	Hyb	Trns	Diode	Avg	Base	SPECM	SPECM	
<b>Ground</b>	Stationary	Benign	G-B	1.1	1.1	0.8	0.4	0.9		0.81	
		Fixed	G-F	7.2	4.2	3.9	2.3	4.4	4.4	1.00	1.00
<b>Mobile</b>	Mobile									1.42	
			Manpack	M-P	10.9	10.7	9.5	10.4	10.4		1.32
			Mobile	G-M	12.0	11.8	14.3	10.8	12.2		1.42
		Naval	Submarine	N-SB	11.4	5.3	7.6	2.8	6.8		1.13
			Sheltered	N-S	11.4	9.1	7.6	3.5	7.9		1.19
			Hydrofoil	N-H	16.9	16.6	15.1	16.1	16.2		1.63
			Unsheltered	N-U	16.3	17.1	16.7	11.9	15.5		1.59
			Undersea-Unshelt	N-UU	18.0	18.2	15.9	17.2	17.3		1.69
<b>Flight</b>								19.3	1.80	1.80	
	Cargo	Inhabited	A-IC	7.2	8.0	7.6	9.9	8.2	8.2	1.20	
	Cargo	Uninhabited	A-UC	8.6	13.4	11.9	16.5	12.6	12.6	1.44	
	Trainer	Inhabited	A-IT	8.6	8.0	11.9	13.2	10.4	10.4	1.32	
	Trainer	Uninhabited	A-UT	11.4	13.4	19.9	19.8	16.1	16.1	1.63	
	Attack	Inhabited	A-iA	11.4	10.7	15.7	16.5	13.6	13.6	1.49	
	Attack	Uninhabited	A-UA	17.2	16.0	27.8	26.4	21.9	21.9	1.94	
	Bomber	Inhabited	A-IB	14.3	13.4	27.8	20.9	19.1	19.1	1.79	
	Bomber	Uninhabited	A-UB	21.5	21.4	47.7	34.1	31.2	31.2	2.44	
	Fighter	Inhabited	A-IF	17.2	16.0	31.8	23.1	22.0	22.0	1.94	
	Fighter	Uninhabited	A-UF	25.8	21.4	51.7	35.2	33.5	33.5	2.56	
	Rotary Wing		A-RW	24.3	24.1	21.5	26.1	24.0	24.0	2.05	
<b>Launch</b>	Missile	Nonpowered	M-FF	11.2	11.2	9.5	10.6	10.6		1.33	
	Missile	Airbreathing	M-FA	15.5	15.5	13.5	14.8	14.8		1.56	
	Space	(Benign)	S-F	2.6	1.7	0.6	0.4	1.3		0.84	
	Undersea		L-US	31.5	32.6	28.6	32.2	31.2		2.44	
	Missile		L-M	37.2	37.4	32.6	35.5	35.7		2.68	
	Cannon		L-C	629.5	641.7	548.4	592.4	603.0		33.09	

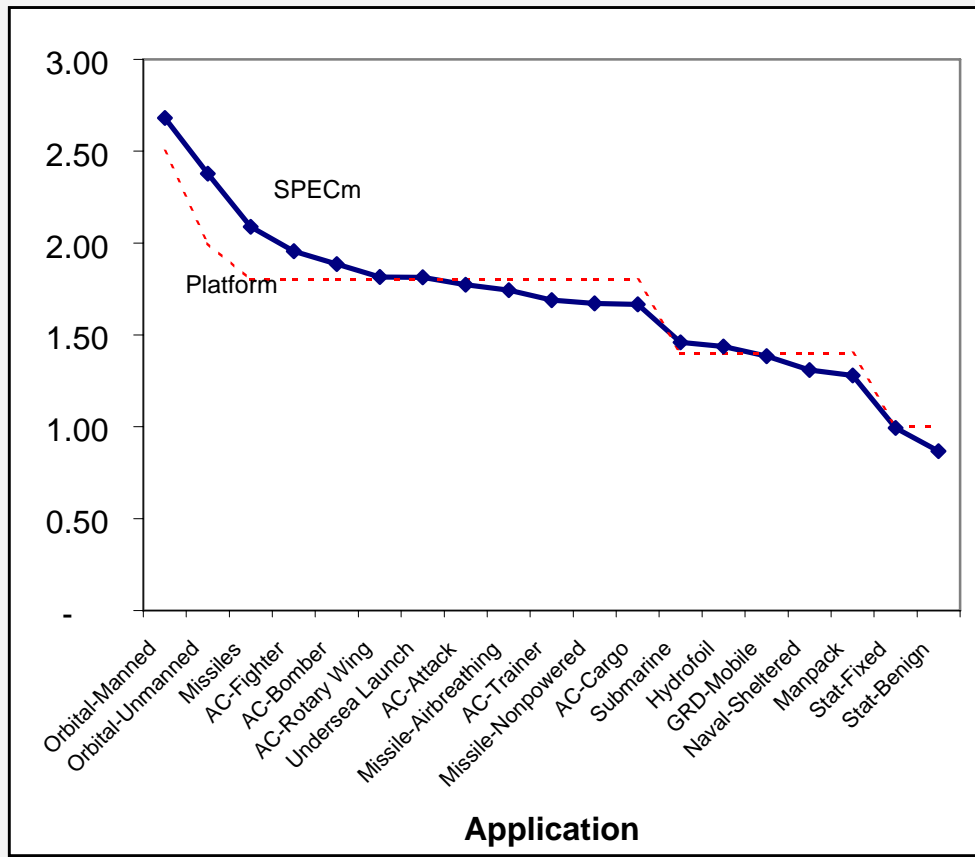
# Composite SPECm Development

- n Develop performance SPECm as a function of speed
- n Develop composite SPECm from environmental de-rating, performance,
- n business culture, and reliability /maintainability

Application			Weighting>		25%	25%	25%	25%	100%
			Speed		SPECm				
			Mph	Mach	Performance	DeRating	Business	R&M	Composite
Ground	Stationary	Benign	0.1	0.00	0.66	0.81	1.00	1.00	0.87
		Fixed	3.0	0.00	0.97	1.00	1.00	1.00	0.99
Mobile	Ground	Manpack	10.0	0.01	1.12	1.32	1.30	1.38	1.28
		Mobile	90.0	0.12	1.44	1.42	1.30	1.38	1.38
	Naval	Submarine	40.0	0.05	1.31	1.13	1.70	1.70	1.46
		Sheltered	34.0	0.05	1.29	1.19	1.38	1.38	1.31
		Hydrofoil	55.0	0.07	1.36	1.63	1.38	1.38	1.44
Airborne	Aircraft	Rotary Wing	184.2	0.25	1.56	2.05	1.80	1.85	1.82
		Trainer	446.6	0.60	1.73	1.48	1.80	1.75	1.69
		Cargo	477.6	0.64	1.74	1.32	1.80	1.80	1.67
		Attack	574.1	0.77	1.78	1.71	1.80	1.80	1.77
		Bomber	731.0	0.99	1.83	2.11	1.80	1.80	1.89
		Fighter	1,398.4	1.89	1.97	2.25	1.80	1.80	1.96
Launch	Suborbital	Nonpowered	500.0	0.67	1.75	1.33	1.80	1.80	1.67
		Airbreathing	680.0	0.92	1.81	1.56	1.80	1.80	1.74
		Undersea	80.0	0.11	1.42	2.44	1.70	1.70	1.81
		Missiles	2,223.0	3.00	2.08	2.68	1.80	1.80	2.09
		Cannon	300.0	0.40	1.65	33.09	1.20	1.38	9.33
	Orbit	Unmanned	18,000.0	24.29	2.64	2.68	2.39	1.80	2.38
		Manned	18,000.0	24.29	2.64	2.68	3.00	2.40	2.68

# SPECm versus Platform

	SPECm	Platform
Cannon	9.33	
Orbital-Manned	2.68	2.5
Orbital-Unmanned	2.38	2
Missiles	2.09	1.8
AC-Fighter	1.96	1.8
AC-Bomber	1.89	1.8
AC-Rotary Wing	1.82	1.8
Undersea Launch	1.81	1.8
AC-Attack	1.77	1.8
Missile-Airbreathi	1.74	1.8
AC-Trainer	1.69	1.8
Missile-Nonpower	1.67	1.8
AC-Cargo	1.67	1.8
Submarine	1.46	1.4
Hydrofoil	1.44	1.4
GRD-Mobile	1.38	1.4
Naval-Sheltered	1.31	1.4
Manpack	1.28	1.4
Stat-Fixed	0.99	1
Stat-Benign	0.87	1



# Environmental DeRating as a Cost Driver

## Results

### n **Param equation**

- SPECm replaces Platform in the Platform generator
- Developed a simple continuous function for moving manufacturing cost complexity between operating environments
- Function interpolates horizontally and vertically

### n **Increased understanding and fidelity of the platform table**

- Speed as a Platform (SPECm) generator
- Relate reliability environmental de-rating factors to Platform (SPECm)
  - n Habitation -Inhabited and Uninhabited
  - n Shelter - Sheltered and Unsheltered
  - n Ground Mobile into
    - Naval - Submarine, Hydrofoil, Surface
    - Mobile - Manpack, Motorized
    - Military Air - Trainer, Cargo, Rotary Wing, Attack, Fighter, Bomber, Missile
  - n Added Launch - Undersea, Cannon

# Environmental DeRating as a Cost Driver

## Authors

**Toan B. Nguyen** is currently working at Boeing Reusable Space Systems in a research and development environment for the Cost Simulation and Modeling group. Projects include technology transition, performance analysis, cost model preprocessor development and facilities cost modeling. He is a graduate of California Polytechnic Pomona with two BS degrees -- Industrial and Manufacturing Engineering. He has been a member of Honor Society of Industrial Engineering, AIIIM, and National Honor Society of Engineer, IITΣ since 1994. Toan is currently pursuing his masters degree in Operations Research at the University of Southern California.

**Anh Q. Tu** is currently involved in research and development for the Cost Modeling and Simulation group at Boeing Reusable Space Systems. She has been involved in the development of parametric estimates, technology transition analysis, technology forecasting, cost model design, calibration, and audits. Anh graduated from California State Polytechnic Pomona with a BS degree in Industrial Engineering. She has received Dean and President's List Awards, in addition to a Team Performance Award. She is a life time member of Alpha Pi Mu Industrial Engineering Honors Society. Anh is currently pursuing her masters degree in Operations Research at the University of Southern California.

**Darryl Webb** is a Project Manager for Systems and Research, Cost Modeling and Simulation at Boeing Reusable Space Systems . In this position, he is responsible for the development of parametric methods and training in the areas of optimization, technology forecasting, cost estimating, and risk analysis. Prior positions at Northrop and Rockwell International include Senior Engineer, Manager of Parametric Pricing, Executive Advisor, Major Subcontract Cost Analyst and Consultant at ACS, Inc. Other activities as a consultant included providing expert testimony and seminars on parametric cost analysis in the major countries of Europe. Darryl has been honored by the International Society of Parametric Analysts by being the recipient of the "Parametrican of the Year" award in 1984. BA California State University Fullerton in Quantitative Systems/Operations Research and he is an honorary member of Pi Tau Sigma National Honorary Mechanical Engineering Society.