

PRICE Systems & Logapps, LLC Help Immigration & Customs Enforcement Put Risk Assessment & Management Program Back on Track

One of the most important steps in the development of a software project is the creation of a Life Cycle Cost Estimate (LCCE). The Cost Estimating and Assessment Guide published by the U. S. Government Accounting Office (GAO) states that an LCCE “provides an exhaustive and structured accounting of all resources and associated cost elements required to develop, produce, deploy and sustain a particular program.” The LCCE determines the program’s budget baseline and helps to ensure that “all costs are fully accounted for so that resources are adequate to support the program.”

If the LCCE is inaccurate, funding and scheduling difficulties may delay or even terminate the project. In the case of RAMP (Risk Assessment and Management Program), a proposed application system for managing and sharing information on risks posed to federal facilities, Immigration and Customs Enforcement (ICE)—an agency within the Department of Homeland Security (DHS)—was faced with a serious cost overrun and failure to meet target dates that threatened the future of the project.

As part of RAMP’s annual funding process, ICE needed to present an updated LCCE to the DHS Acquisition Decision Authority (ADA). But because they lacked an embedded cost estimation capability and parametric tools, ICE’s CIO called on PRICE Systems, developer of the parametric modeling software TruePlanning®, and its consulting partner Logapps, LLC. “RAMP’s software development contractor, had finished the initial build, but the project was behind schedule and over budget,” said Logapps managing partner Kevin McKeel. “We were brought in to re-baseline and set up a new LCCE. There was a projected cost escalation of almost 50 percent on the current contract: they had forecast \$23 million and had already used \$17 million.”

To analyze RAMP, LogApps and PRICE used TruePlanning®, which in the hands of a seasoned cost estimator, allows for the delivery of accurate cost estimates. TruePlanning is a commercial parametric model that is built on PRICE System’s 30 year repository of software and hardware programs.

TruePlanning simplifies the design and management of complex projects by enabling earlier, faster and more accurate cost and scheduling decisions. It uses knowledge bases that clarify the impact of various inputs on specific costs, evaluating a program’s scope, size and complexity. For example, the estimator would provide software size (SLOC or function points), characterize the development team experience and capability, organizational processes, and development environment. TruePlanning would then calculate labor and cost estimates.

“We started the LCCE in November and finished in February,” said McKeel. “It should have been just a month but some key people were unavailable during the holidays.” PRICE and Logapps, using TruePlanning, produced a seven year projected estimate for RAMP that corrected its budget from \$61 to \$83 million, an increase of 35 percent. Most importantly, the LCCE was completed on time and within budget and was accepted by DHS. The RAMP project will continue and is slated for full operational capability in 2013.

The collaboration of PRICE Systems and LogApps on behalf of ICE demonstrates the importance of establishing a credible life cycle cost estimate before proceeding with a long term project such as RAMP. According to McKeel, “They said we should have been there from the beginning.”

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-Kevin McKeel
LogApps

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