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IN REPLY REFER TO
ACQ 021
20 Sep 99

MEMORANDUM FOR ACQUISITION PERSONNEL

Subj: PARAMETRIC ESTIMATING (99-37)

Encl: (1) OASN (RD&A)/ABM memo of 3 Sep 99

1. Enclosure (1) is provided for your information and action, as appropriate.
2. The Parametric Cost Estimating Handbook can be accessed at <http://www.ispa-cost.org/peiweb/newbook.htm>. A link to this Handbook will also be added to the ACQ Online Homepage.

A handwritten signature in black ink, appearing to read "Michael F. Howard".

MICHAEL F. HOWARD
Director, Strategic Management/
Community Management Section



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SEP - 3 1999

MEMORANDUM FOR DISTRIBUTION

Subj: PARAMETRIC ESTIMATING

Encl: (1) DDP memorandum of August 23, 1999

Enclosure (1) is provided for your information and action, as appropriate. Please give it widespread distribution within your claimancy. I fully endorse Mrs. Spector's encouragement to use parametric estimating as a substitute for obtaining voluminous cost or pricing data whenever you can.

Paul P. Buonaccorsi

Paul P. Buonaccorsi
Executive Director
Acquisition & Business Management

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ACQUISITION AND
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OFFICE OF THE UNDER SECRETARY OF DEFENSE

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August 23, 1999

MEMORANDU FOR DIRECTORS OF DEFENSE AGENCIES
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(CONTRACTING), SAF/AQC
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
EXECUTIVE DIRECTOR FOR PROCUREMENT MANAGEMENT
(DLSC/DLA)

SUBJECT: Parametric Estimating

In my memorandum on parametric cost estimating dated August 28, 1995, I indicated my support for increased application of parametric estimating techniques. Properly calibrated parametric models can estimate costs accurately while reducing bid and proposal costs and cycle time and expediting the government evaluation process.

My initial memorandum attached a copy of the Parametric Cost Estimating Handbook developed by a government/industry team. That team has updated the Handbook to reflect suggestions from industry and government participants. Case data and related policy considerations have been integrated throughout. I believe the Handbook provides the basic policy considerations and practical applications needed to take advantage of parametric cost estimating opportunities. I strongly encourage you to use parametric estimating as a substitute for obtaining voluminous cost or pricing data whenever you can.

You can access this Handbook on <http://www.ispa-cost.org/peiweb/newbook.htm>. It is available in Microsoft Word 97 and HTML.

I am grateful for the substantial efforts and dedication of the International Society of Parametric Analysts (ISPA), the Society of Cost Estimating and Analysis (SCEA), the Space Systems Cost Analysis Group (SSCAG), and the many government organizations that contributed to the Parametric Cost Estimating Handbook.

Eleanor R. Spector
Director, Defense Procurement

