

"Should Cost" Model: A400M In-Service Support

Requirements

The Airbus A400M is a four-engine turboprop military transport aircraft being designed and manufactured by Airbus Military. The UK MoD A400M Project Team exists to deliver the aircraft fleet and through-life logistic support into service with the Royal Air Force.

We supported the Project Team with the development of the Value for Money Benchmark (VfMB) required to support the In-Service Support Assessment Phase, which will determine the preferred procurement strategy.

We developed independent support costs using relevant industry expertise, and constructed an open architecture "should cost" model to allow the Project Team to:

- Gain an understanding of the significant parameters and cost drivers for the support costs

- Assist in the validation of industry proposed prices for providing A400M In-Service Support

The model contained independent estimates for the costs of providing In-Service Support for the first 10 years in-service life of the UK fleet.

The model will be used to:

- Inform the Main Gate Business Case for In-Service Support
- Provide a report on independent comparator costs with 10%-50%-90% confidence figures
- Apply full treatment of project risks and data uncertainty

Solutions

The development and implementation of the Should Cost Model required an understanding of the proposed support package, access to authoritative information on aircraft servicing and

maintenance, and the ability to construct a robust cost model.

The overall task required close liaison with the Project Team to ensure that all areas of the proposed ISS support package were understood and sized in order that all required elements were included.

Benefits

- Independent Value for Money Benchmark to support the assessment of In-Service Support
- Independent data and authoritative whole life costs
- Robust and traceable open architecture cost model
- Models uncertainty parameters and risk using Monte Carlo simulation