

ROMAERO

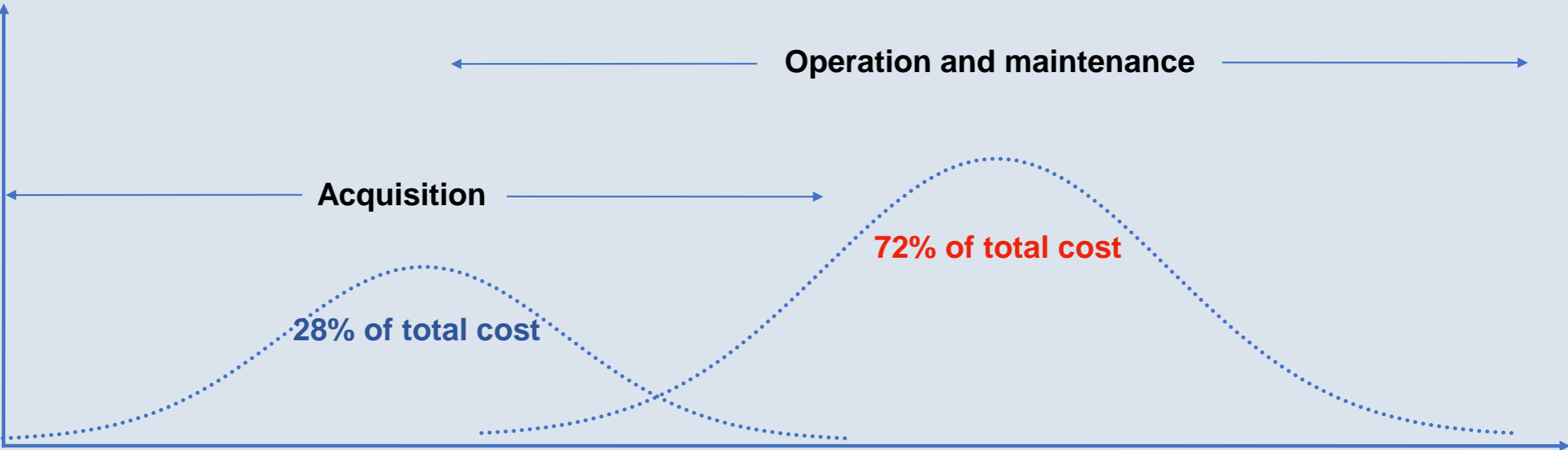
NEW STRATEGY CENTER

**POWERFUL TOOL FOR DEFENSE & INDUSTRIAL
COOPERATION**

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Split between acquisition and O&M costs in a weapon's system life cycle



NORMAL LIFE CYCLE OF 30 YEARS

Source: Thesis regarding ANALYSIS AND FORECASTING OF ARMY OPERATING AND SUPPORT COST FOR ROTARY AIRCRAFT, John C. Hawkins, First Lieutenant, USAF, AIR FORCE INSTITUTE OF TECHNOLOGY

- MANAGEMENT
- HARDWARE
- ECOs

RECURRING FLYAWAY

PLUS

- NON-RECURRING
- ANCILLARY EQUIP

FLYAWAY COST

PLUS

- TECH DATA
- PUBLICATION
- CONTRACTOR SERVICES
- SUPPORT EQUIP
- TRAINING EQUIP
- FACTORY TRAINING

WEAPON SYSTEM COST

PLUS

- INITIAL
- SPARES

PROCUREMENT COST

PLUS

- RDT&E
- FACILITY CONSTRUCTION

ACQUISITION COST

PLUS

- OPERATIONS AND SUPPORT (include Operating Production Support)
- DISPOSAL

LIFE CYCLE COST

PLUS

- COMMON SPARES/SUPPORT ITEMS
- INFRASTRUCTURE COST FOR PLANNING, MANAGING, OPERATING AND EXECUTION
- LINKED INDIRECT COSTS
- MODIFICATION IMPROVEMENTS

TOTAL OWNERSHIP COST

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