

SPAR Scuttlebutt

December 2008

SPAR's Cost Estimating Services

SPAR continues to be active in the business of producing independent costs estimates for the design and construction of ships, commercial, military and coast guard.

Modularized Design & Construction Savings

SPAR expanded its cost estimating models to provide options for simulating cost savings potential from applying an extended concept of modularized ship design and construction.



Assembling modules on unit and on-panel allows more productive labor than if the work is performed on board. In addition, additional savings are possible if modules are outsourced to competitive commercial manufacturers that can become more involved in the construction process and re more likely to invest in further product improvements. Modularization also offers good benefits to the ship operator as modules are more easily and less expensively repaired and upgraded in shorter periods of time.

Savings for 160 Meter Trailer Ship

Working with Herbert Engineering Corp., SPAR produced preliminary cost estimates for a 160 meter trailer ship designed for a short sea shipping market. Two design and construction scenarios were developed for a mid-size commercial U.S. shipbuilder: cost estimates for the design and construction using conventional pre-fitted hull block construction; and cost estimates using pre-fitted hull block construction and extended with modularized equipment and ship systems that has become standard practice by many world class shipbuilders in Europe and Asia.

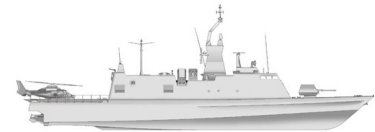


SPAR presented its findings at The National Shipbuilding Research Program "Shipbuilding Opportunities in Short Sea Shipping Workshop" October 21-23, 2008 in Charleston, SC.

Savings & Mission Enhancements for Naval Vessels

BMT Designs & Planners purchased SPAR's publication titled "Shipbuilding Schedule & Cost Benefits from Modularization Design & Build Strategies." This document focuses on potential cost savings for military vessels, as well as

enhanced mission flexibility and service time in theatre for a notional naval corvette.

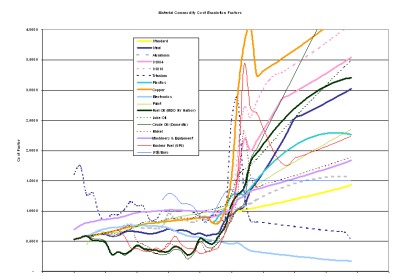


SPAR's Updated Web Site

SPAR's web site, www.sparusa.com, has been upgraded with a cleaner, more modern look. It also is easier to navigate through the various web pages and access areas of particular interest.

New On-Line Repair Cost Data

SPAR has expanded its on-line services from its web site, www.sparusa.com to provide a comprehensive library of ship repair costs. SPAR maintains this catalog on a continuous basis, keeping it current with commodity-based historical and forecast cost escalation tables.



"Over 35 Years of Providing Planning & Production Management Systems to Shipyards"

These tables have proved to be critical in providing much more accurate cost projections as various commodity prices (steel, copper, paint, etc. have fluctuated wildly over the past few years.

These same escalation tables are embedded within SPAR's cost models for estimating various ship types and configurations, commercial, military and coast guard.

Plans are under way to also provide an expanded on-line service for comprehensive libraries of new construction costs. SPAR has developed these new construction libraries that can be applied to a wide variety of ship types and configurations. Factors are to adjust generic cost estimating relationships (CERs) for the type (commercial, combatant, or dual-use) and size of shipbuilder.

These libraries not only enable faster, more complete and accurate cost estimates, but also can serve as important industry standard benchmarks for shipyards seeking to improve productivity in their own operations.

Call SPAR for further details about this new program.

New Version of PERCEPTION Released

Version 9 of SPAR's integrated shipyard planning and cost/schedule management system called *PERCEPTION* has been released. The system fully integrates many of the shipyard's business functions: cost estimating; planning and scheduling; work orders and time charge control; purchasing and material control;

small tools management; vendor invoice validation and customer billings. *PERCEPTION* easily interfaces with many different financial and accounting systems and with popular CAD and other PC products. It is a multi-user system that operates on a client/server network as well as over the Internet for remote access users.

PERCEPTION produces accurate engineering and production cost and schedule performance and forecasts reports using well proven earned value methods. With multiple work breakdown structures (WBS) capabilities, the reports focus both on contract performance as well as on production process performance. The latter is critical for the shipyard to measure its productivity and to identify areas where improvements are warranted.

Upgraded ESTI-MATE Cost Models:

The *ESTI-MATE* cost models continue to be updated and refined. They enable detailed cost items to be incorporated, but also provide unique parametric cost functions that enable costs to be developed quickly with very little technical detail available. The cost models can generate costs depending on the type and relative competence of the anticipated shipbuilder. Cost differences also can be produced whether the shipbuilder's business is commercial, naval combatant or dual-use auxiliary. Learning curves, manpower requirements, and cost risk analysis are generated automatically. Options are available to estimate operating and life cycle costs.

Marketing Expands into Turkey

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SPAR has signed Global High Technology Limited located in Istanbul to promote SPAR products and services in Turkey. Turkey has become an important shipbuilding country with 125 yards engaged in the international markets.

SPAR Associates, Inc.

SPAR has been providing shipyard production planning and management control software since 1972. In addition to its software products, SPAR offers a variety of support services, including custom software design and development; training and software maintenance services; independent cost estimating; supplemental shipyard planning and scheduling services; and management consulting to various interests in the marine industries.

We are always available to address whatever questions that you might have. Your success is ours.

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SPAR Publications

SPAR has the following publications available to help shipyards plan and manage their operations:

- **“Planning New Construction & Major Ship Conversion”**

- (US \$75.00)
- **“Shipyard Cost Estimating”**
(US \$125.00)
- **“Guide for Shipyard Material Control”**
(US \$75.00)
- **“Full Implementation of a Shipbuilder’s Earned Value Management System (EVMS)”**
(US \$75.00)

- **“Comparing Methods of Measuring Progress, Earned Values & Estimates at Completion (EAC)”** *FREE*

Publications are available in pdf file format via electronic mail.

If you have corrections to your address or would like to add a name to our mailing list, please complete the following form and **Send To:** SPAR Associates, Inc.- 927 West Street- Annapolis, MD 21401, USA
Fax: (410) 267-0503 **Phone:** (410) 263-8593 **E-Mail:** info@sparusa.com **Web Site:** www.sparusa.com

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