



**ACHIEVED  
\$520.6M IN  
COST SAVINGS**

# AEROSPACE & DEFENSE

## CHALLENGE

The US Department of Defense (DoD) faced substantial payments to a private aircraft manufacturer due to volatility in the employment cost index (ECI).

## SOLUTION

IHS helped the DoD estimate changes to worker compensation and calculated new compensation projections. The DoD used these new projections to recalculate contract adjustments, avoiding significant costs that would have been incurred under the BLS employer cost index.

## RESULTS

IHS played a vital role in ensuring proper contract adjustments that saved the DoD and US taxpayers \$520.6 million.

“[b]ecause of your support, we were able to calculate price adjustments on the multiyear contracts that were significantly less than those based on the improperly inflated aircraft manufacturing index and we were able to avoid a cost of \$520.6 million for DoD and taxpayers.”

