



U.S. DEPARTMENT OF  
**ENERGY**

*Office of Environmental Management  
Consolidated Business Center*

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Office of Cost Estimating & Analysis  
*Overview*

*May, 2012*

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**EM** *Environmental Management*

safety ❖ performance ❖ cleanup ❖ closure

Rev. 4/ May 2012

[www.em.doe.gov](http://www.em.doe.gov)

# EM Mission

*“Complete the safe cleanup of the environmental legacy brought about from five decades of nuclear weapons development, production, and Government-sponsored nuclear energy research.”*



- Largest environmental cleanup effort in the world, originally involving two million acres at 108 sites in 35 states
- Safely performing work
  - In challenging environments
  - Involving some of the most dangerous materials known to man
  - Solving highly complex technical problems with first-of-a-kind technologies
- Operating in the world's most complex regulatory environment
- Supporting other continuing DOE missions and stakeholder partnerships



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# EM Corporate Cost Estimation Strategy

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- Approved for Implementation on 5/01/08
  - Defines approach to enable EM to systematically focus on development and maintenance of a strong corporate cost estimating capability
  - Establishes high priority for cost estimating to effectively manage and reduce the life-cycle costs of EM's programs and/or projects.
  - EM-60 has responsibility for developing and implementing EM's Cost Estimating & Analysis (CE&A) Program
    - EMCBC provides annual resources necessary to operate EM's Office of Cost Estimating & Analysis



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# EM CE&A Program Mission

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- Establish standards, policy, and procedures to ensure EM Cost and schedule estimates are accurate, traceable, and reliable
- Lead the development and management of cost databases, methodologies, and tools needed by EM to improve and standardize its CE&A capabilities
- Provide Independent Cost Estimating (ICE) and Independent Cost Analysis (ICA) capability to support EM acquisition and project management requirements
- Provide ICE & ICA support to EM management, EMAAB (EM Acquisition Advisory Board) activities, & EM budget formulation process



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# EM CE&A Program Development

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- EM Corporate Implementation Strategy uses a two-pronged approach
  - Establish internal CE&A capability within EM
    - Develop EM's Office of Cost Estimating & Analysis
    - EM Field Offices staff CE&A function
  - Develop Corporate CE&A Program
    - Develop EM-specific CE&A policies, procedures & standards
    - Develop & Maintain EM-specific CE&A tool-kit
    - Develop corporate CE&A training program
    - Revitalize EM Applied Cost Engineering Team (EM CE&A Community of Practice)
    - Coordination with DOE Office of Construction Management (OECM)
    - Participate on Inter-Agency Cost Engineering Forums



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# EM CE&A Center Core Functions

- EM Acquisition (EM-51/52 & EMCBC Office of Procurement)
  - Perform Life-Cycle Cost Analyses
  - Prepare Independent Government Cost Estimates (IGCE)
  - Develop Contract-specific CE&A requirements
  - Perform cost reasonableness reviews of contractor-submitted cost proposals (IR&V)
  - Support SEBs
  - Contract Close-out ~ capture actual project costs and make available for EM CE&A Environmental Cost Analysis System (ECAS) and DOE's *i-Cost*
- Strategic Planning & Analysis (EM-62, & EM Field Offices)
  - Support FPDs & Serve on IPTs
  - Provide direction/oversight for contractor-developed cost estimates
  - Prepare Independent Cost Estimates (ICE)
  - Perform Independent Cost Analyses & Reviews
  - Support Risk Management Planning Activities
  - Establish Project-specific CE&A requirements (tailoring)
- Project Management Support (EM-53)
  - CE&A SMEs on Independent Project Review Teams
  - Provide ICE/ICR services
- Provide EM-wide CE&A Support Service Contractors
  - Independent Cost Estimates & Independent Cost Estimate Reviews



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# General IGCE Development

