

HNC PROC 2040

Resource Estimate Development

Scope

This process defines how resource estimates are to be developed by the Project Delivery Team (PDT) in P3e to develop the total project cost estimate.

(The most accurate resource estimates possible must be made for all project activities in order to establish a viable project plan. Program and Project Managers rely on these estimates to represent funding requirements to our customers. Resource Providers use rollups of project resource estimates to assist in determining staffing requirements and balancing workload. Every work activity that requires an expenditure or resources must be included to the lowest level product of the Work Breakdown Structure (WBS).)

Policy

[DFAS-IN 37-1, Finance and Accounting Policy Implementation](#)

[DoD 7000.14-R, Department of Defense Financial Management Regulation](#)

[ER 37-345-10, Accounting and Reporting – Military Activities](#)

[ER 5-1-11, U. S. Army Corps of Engineers Business Process](#)

Responsibility

The Project Manager (PM) is responsible for ensuring the further development of the original scope, initial schedule and resource estimates necessary to accomplish assigned activities, organized in accordance with the Work Breakdown Structure (WBS).

The PDT is responsible for:

- Assisting the PM in developing time and cost estimates necessary to perform the work defined by the WBS with assistance from the Resource Provider, if needed.
- Identifying conflicts with commitments to other projects via the workload distributions for their organizations.

The Resource Provider(s) is responsible for:

- Identifying conflicts with commitments to other projects via the workload distributions for their organizations.
- Coordinating with the PM/PgM and participating in [HNC Workload Analysis and Resource Leveling - HNC PROC 1020](#) activities.

Contracting is responsible for:

- Providing timely support for contract analysis, contract processing and contract estimates.

Distribution

Deputy for Programs and Technical Management (DPTM)

Project Delivery Team (PDT)

Project Manager (PM)

Resource Provider(s)

Contracting

Middle Management Team

Ownership

The Office of the Deputy for Programs and Technical Management (DPTM) is responsible for ensuring that this document is necessary, that it reflects actual practice, and that it supports corporate policy.

System References

[Acronyms and Glossary – REF 8000G](#)

[CEFMS Users Manuals Online](#)

[Change Management – HNC PROC 3010](#)

[Change Management Plan – REF 8009G](#)

[Civil Works Program-Specific Information – REF 8010G](#)

[HNC Workload Analysis and Resource Leveling – HNC PROC 1020](#)

[Environmental Program-Specific Information – REF 8012G](#)

[Interagency and International Services \(IIS\) Program-Specific Information – REF8017G](#)

[Military Program-Specific Information – REF 8011G](#)

[P3e User Guide](#)

[PMP/PgMP Content – REF 8005G](#)

[PMP/PgMP Development – HNC PROC 2000](#)

[Project \(Program\) Delivery Acquisition Plan –HNC PROC 2050](#)

[Research and Development Program-Specific Information – REF 8013G](#)

[Work Acceptance – HNC PROC 1000](#)

[Work Management - Financial Management Interface – REF8014G](#)

Activity Preface

This process is performed during the development or modification of the PMP, and whenever a change in scope or schedule is required (refer to [Change Management Plan – REF 8009G](#)).

The development of the resource estimate is one of the most critical activities undertaken by the PDT. In developing the resource estimate, the PDT will be establishing the manner in which they want to manage and report on the project.

P2 will generate PR&C information for CEFMS in accordance with these relationships and the level of detail contained in the resource estimate. The PDT will develop resource estimates carefully to ensure they are establishing the P2/CEFMS relationships that will allow them to obtain financial management data needed by the PDT, and give them the ability to manage the project using earned value capabilities of P2.

During development of the resource estimate, it is important to include all future fiscal year requirements, in accordance with the information contained in [PMP/PgMP Content – REF 8005G](#). This will improve Resource Providers' capability to develop future staffing and contract needs and initiate appropriate action to meet these needs, in accordance with [HNC Workload Analysis and Resource Leveling – HNC PROC 1020](#).

During the execution of projects, many day-to-day issues need to be decided regarding distribution of in-house and contract resources between projects and the resulting potential impacts on individual project schedules and costs. HNC will address these day-to-day issues corporately and are encouraged to form Middle Management teams to accomplish this effort in supporting PDTs.

Upon completion of this process, you will return to [PMP/PgMP Development – HNC PROC 2000](#).

Project Delivery Team (PDT)

1. Open the Project in P3e.
2. Create or revise the resource estimate at the lowest organizational level.

Every activity in the project that requires an expenditure or resource must be included to the lowest level product of the WBS. Ensure estimates are included to cover direct charges of administrative support and supervision.

The sum of resource estimates entered into P3e is the project cost estimate, since total resource estimates include all project activities that will be directly or indirectly charged against the project. The budget must be entered by activity and identified by resource type (such as labor, contract, etc.) and unit of measure (hours, job, etc.), rather than as a lump sum. This process is critical, since this cost estimate can become the Baseline for performance measurement. This baseline may be revised as required during the project's life cycle. Refer to [Change Management Plan – REF 8009G](#).

Refer to [PMP/PgMP Content – REF 8005G](#), as well as [Civil Works Program-Specific Information – REF 8010G](#), [Environmental Program-Specific Information – REF 8012G](#), [Interagency and International Services \(IIS\) Program-Specific Information – REF8017G](#), [Military Program-Specific Information – REF 8011G](#), or [Research and Development Program-Specific Information – REF 8013G](#), as appropriate.

3. Evaluate project activities and resources to determine those that will be considered for contract or execution by other government and non-government entities.

The decision to outsource work involves the who, why, how, when, what, and how much to procure. Other considerations are customer requirements, quality management plans, and identified risk.

PDT works in conjunction with Resource Provider(s)/Middle Management Team to accomplish this.

If resource estimate includes contract, stop and complete [Project \(Program\) Delivery Acquisition Plan –HNC PROC 2050](#). Otherwise, go to Task # 4.

4. Receive resource estimate.
5. Determine if PDT agrees, is there a consensus.

If the PDT agrees, go to Task #10. Otherwise, go to Task #6.

Project Manager (PM)

6. Forward estimates to Resource Providers for review.

Resource Provider(s)

7. Review (and revise) the estimates.
8. Determine if there is agreement (with the PDT and PM).

If there is an agreement, go to Task #2. Otherwise, go to Task #9.

HNC Middle Management

9. Review and resolve issues and conflict.

Go to Task #2 with resolution of conflict.

Project Delivery Team (PDT)

10. Revise resource estimate, as necessary, in P3e.

End of activity.

Return to [PMP/PgMP Development - HNC PROC 2000](#).

