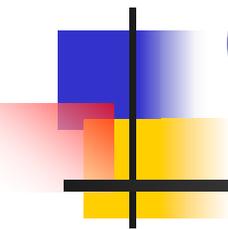


Policy Guidance and Regulations

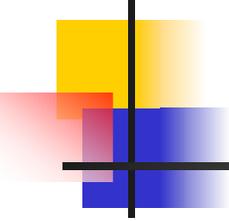
4 June 2003

2003 Tri-Service Cost Engineering Workshop



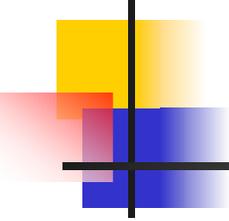
Cost Engineering

Policy Guidance and Regulations



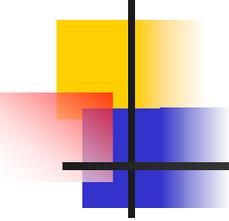
Welcome to Cost Engineering Guidance and Regulations

- US ARMY CORPS OF ENGINEERS,
NORTHWESTERN DIVISION
- US ARMY CORPS OF ENGINEERS,
OMAHA DISTRICT



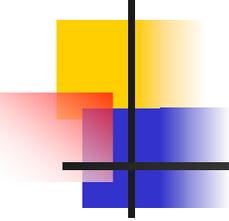
Outline of Presentation

- Concentrate on policy outside cost engineering regulations
- Guidance for all programs – CW, MP ,HTRW
- Guidance specific to civil works estimating
- Guidance specific to military estimating
- Guidance specific to HTRW estimating



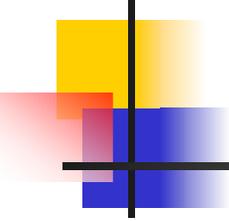
Guidance for Discussion

- Public law.
- Far.
- DFAR.
- EFAR.
- Engineering regulations.
- AR, TM etc.
- Implementing policy.



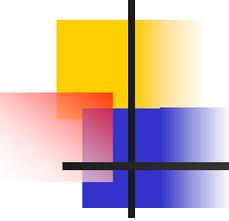
Guidance for All Programs – CW, MP ,HTRW

- FAR 2 definitions
- FAR 15 contracting by negotiations
- EFAR 15 contracting by negotiations
- FAR 36 construction and A&E contracts
- DFAR 236 construction and A&E contract
- EFAR 36 construction and A&E contracts



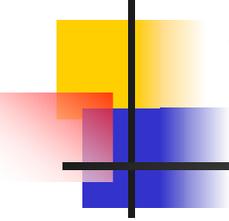
Guidance for All Programs – CW, MP ,HTRW – Cont'd

- ER 1110-3-1300 cost Engr policy/Req
- EI 01D10 const cost estimates
- EP 1110-1-8 const Eqp owner & operating
- ER 1110-1-12 quality management – ITR
- DOD 700.14-R 35% or 5-15% for congress



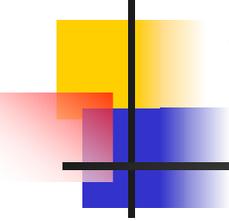
Guidance for All Programs – CW, MP ,HTRW – Cont'd

- Far 36.101(c) const vs supply contract
- Far 36.203 GE required over \$100k
- Far 36.214 negotiation const contract
 - CO must compare to GE
 - GE errors document and change GE
- Far/EFAR 15.404-4 profit weighted GL



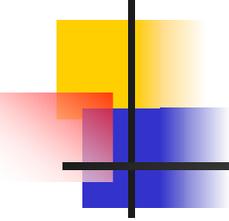
Guidance Specific to Civil Works Estimating

- USC 33 navigation & navigable waters
- P.L. 95- 269 Admd to USC 33 - 25% Lmt
- EFAR 36.203-100.2.C – no profit in GE
- ER 1101-2-100 plan guidance notebook
- ER 1110-2-1150 E&D for CW projects
- EM 1110-2-1304 CWCCIS



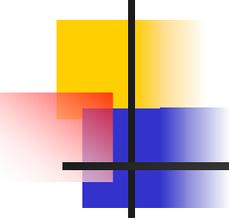
Guidance Specific to Civil Works Estimating – Cont'd

- CW – work breakdown structure WBS
- CEDP – corps dredge programs
- EM 1110-2-5025 dredging & dredged mat'l disposal
- ER 1130-2-520 navigation & dredging O&M policy
- EP 1130-2-310 dredge inspector guide



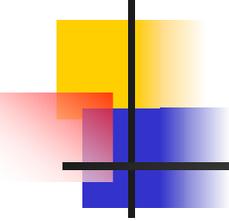
Guidance Specific to Military Estimating

- PL 97-214 mil const codification act
 - Adm USC title 10
 - Makes CoE & NAVFAC resp for MP const
 - Family housing size
 - Allows 25% over appropriation amount
 - Funds expire 4 years after appropriation



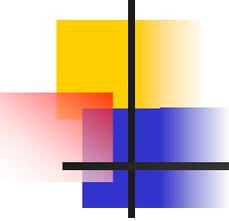
Guidance Specific to Military Estimating Cont'd

- AR 415-15 army military const program development and execution
 - Defines army MP execution process
 - Assigns ASA IL&E to set policy
 - Assigns USACE chief to design and construct army MP
 - Installation CO responsible for 1391



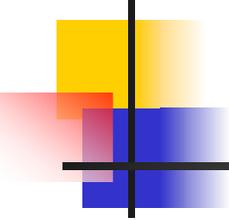
Guidance Specific to Military Estimating Cont'd

- AR 415-15 cont'd
 - Sets design directive def (code 1-9)
 - Use TM 5-800-4 for program estimates
- TM 5-800-4 program cost estimates for military construction
 - Primary guide for programming cost estimates



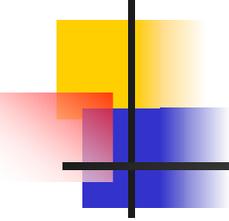
Guidance Specific to Military Estimating Cont'd

- EFAR 36.205-100
 - MP government estimate includes profit
 - Dist CO must approve contract award if exceeds GE by 15% or more
- ER 1110-3-1300 MP cost engineering
- Military WBS
- PC cost 1391/3086 processor

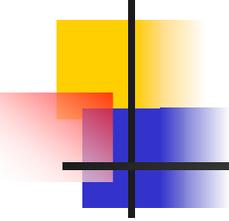


Guidance Specific to Military Estimating Cont'd

- Area cost factors (ACF)
- Historical analysis generator (HAG)
- Parametric cost engineering system (PACES)
- Escalation TM 5-800-2 app C
- ECB 2002-15 spirit

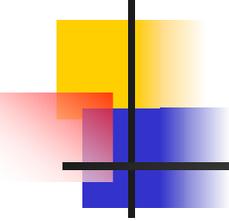


Guidance Specific to HTRW Estimating



Guidance Websites

- FAR <http://farsite.hill.af.mil/>
- EFAR-HQ PARC
<http://www.hq.usace.army.mil/cepr/asp/library/efar.asp?strCat=8&strSubCat=6>
- US code
<http://www4.law.cornell.edu/uscode/>
- AR
http://www.usapa.army.mil/USAPA_PUB_search_P.asp



Guidance Websites Cont'd

- ER, EM, EI, ECP & ETC

[http://www.hnd.usace.army.mil/tech
info/](http://www.hnd.usace.army.mil/techinfo/)

HTRW Cost Engineering Regulations/Guidance

Objective

- **Become familiar with the cost engineering regulations/policy and resources in developing estimates for HTRW projects.**

Cost Engineering Regulations/Guidance

- **ER 1110-3-1301 (HTRW)**
 - Compliments general cost engineering polices as published in ER-1110-1300
 - Provides specific guidance/policy for developing RA and RA-O estimates for HTRW projects.
 - The ER also establishes requirements for developing estimates for each phase of the project such as PA/SI, RI/FS, RD,RA-C RAO, and LTM
- **ER 1110-3-1301 can be obtained at:**
<http://www.usace.army.mil/inet/usace-docs/eng-regs/er1110-3-1301/toc.htm>

Cost Engineering Regulations

EI 01D010 (How To Manual)

- Establishes uniform guidance for the preparation of cost estimates
- Serves as a 'How To Guide'
- HTRW specific requirements are located at end of each chapter within the documents
- Available at <http://w2.hnd.usace.army.mil/techinfo/ei/ei01d010.pdf>

Cost Engineering Regulations/Guidance

- **Defense Environmental Restoration Program (DERP) Manual**
 - Provides guidance on the implementation of the Environmental Restoration Program
- **Paragraph 15 of the guide:**
 - Emphasizes the importance of developing reliable CTC estimates to support auditable financial statements.
 - These guidelines are also incorporated in the Formerly Used Defense Site Program (FUDS) manual.

Cost Engineering Regulations/Guidance

- **FUDS Manual - Appendix 2-1**
 - Outlines criteria and standards for development of CTC estimates for the Formerly Used Defense Sites (FUDS) to support the Budget Estimate Submittal and the Annual Report to Congress
 - FUDS Manual is currently being re-written into an ER and is scheduled to be released late this year
 - FUDS Manual can be obtained at:
<http://www.nwd.usace.army.mil/pm/derp/fmhome.htm>

HTRW Cost Engineering Resources

- **HTRW Work Breakdown Structure(WBS)**
 - **Studies, Remedial Action(RA) and Operation & Maintenance(OM)**
- **RACER**
- **MCACES**
- **Productivity Study**
- **Treatment, Storage, Disposal Facility Report**
- **Cost Risk (Contingencies)**
- **Historical Cost Analysis System (HCAS)**
- **Guide to Develop Feasibility Study Cost Estimates**
- **Environmental Bulletin:**
<http://www.hq.usace.army.mil/EEMP/E/EC/PDF/eng-bul-june97pdf>