



Idaho National Laboratory

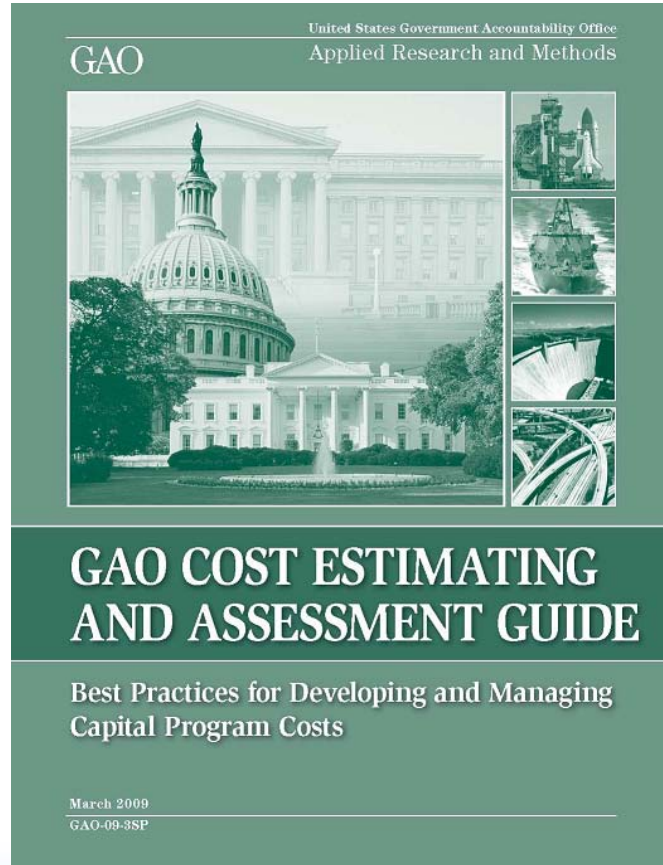
GAO Cost Estimating and Assessment Guide

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**EFCOG PM Workgroup
July 22, 2009**

GAO Cost Estimating and Assessment Guide



GAO Cost Estimating and Assessment Guide

The U.S. Government Accountability Office (GAO) is known as "**the investigative arm of Congress**" and "the congressional watchdog." GAO supports the Congress in meeting its constitutional responsibilities and helps improve the performance and accountability of the federal government for the benefit of the American people.

GAO Cost Estimating and Assessment Guide

- **Keynote speaker – Karen Richie, GAO**
- **The guide highlights the “best practices” used in planning/development, managing, and evaluating capital program cost estimates**
- **“Provides a detailed link between Cost Estimating and EVM”**
- **“A credible estimate lies at the heart of EVM analysis”**
- **Focuses on “the cost estimate is the basis for establishing the program’s detailed schedule”**
- **The guide was developed by the government and industry**
- **Clearly outlines GAO’s criteria for assessing cost estimates**
- **Can be found at <http://gao.gov/new.items/d093sp.pdf>**

GAO Cost Estimating and Assessment Guide

The guide focuses on the integration of:

- Cost estimating
- Risk
- Earned value
- Schedule
- Technical performance

CREST

GAO Cost Estimating and Assessment Guide

- **Current problems**
 - **Cost and schedule estimates are based on optimistic assumptions**
 - **A lack of sufficient knowledge**

Results in poor planning

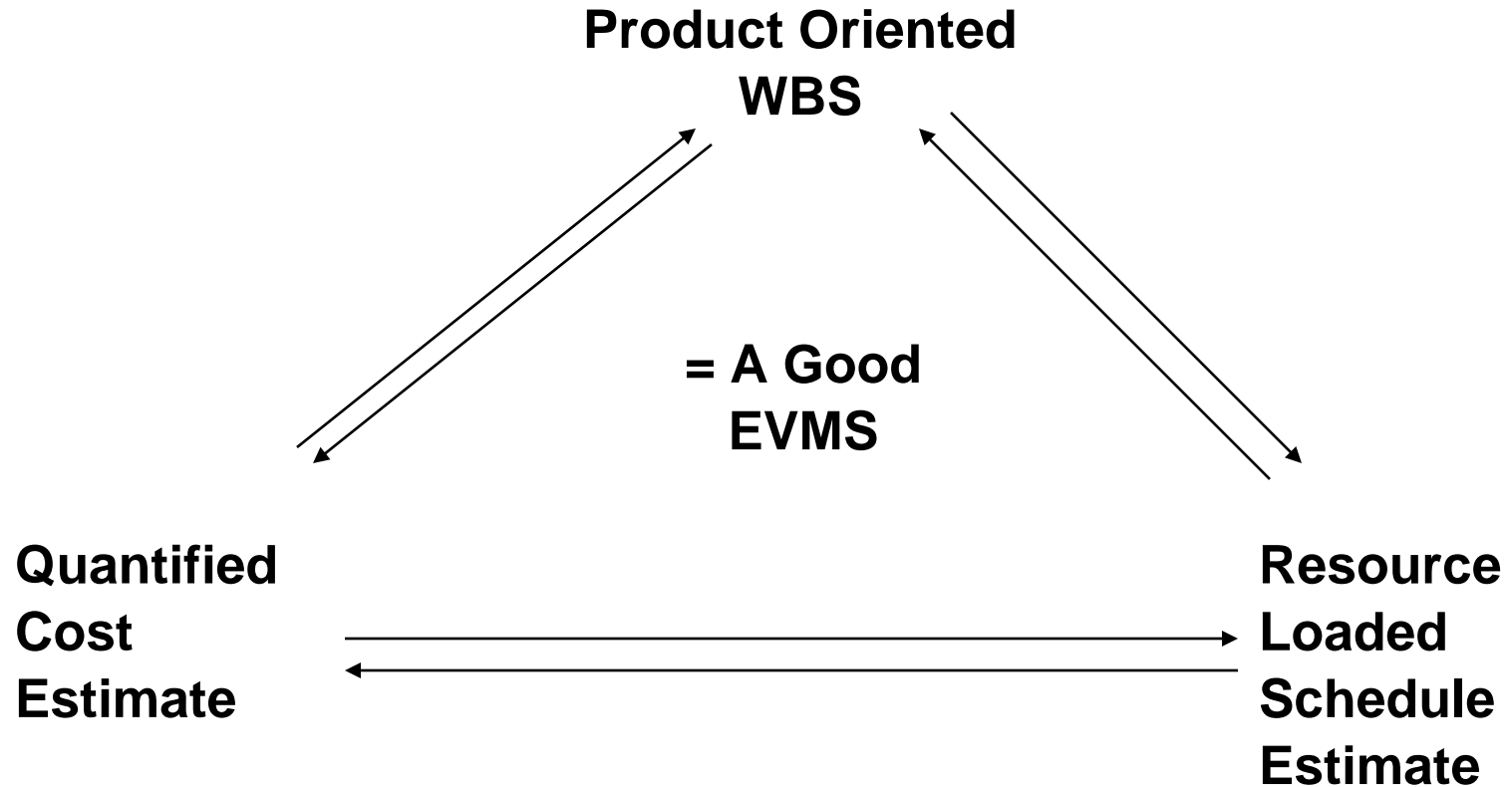
GAO Cost Estimating and Assessment Guide

- **The guide discusses**
 - **GAO 12 steps of a high quality cost estimate**
 - **Common mistakes/problems in planning processes**
 - **The purpose of cost estimates**
 - **Qualifications and skills needed for cost estimators and EVM analysis**
 - **Work breakdown structures**
 - **Risk analysis**

GAO Cost Estimating and Assessment Guide

- **The guide discusses cont...**
 - **Validating the estimate**
 - **Managing program costs: Planning**
 - **Managing program costs: Execution**
 - **Managing program costs: Updating**

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