MEMORANDUM FOR: Senior Bureau Procurement Officials

FROM: Olivia J. Bradley
Senior Procurement Executive and Director for Acquisition Management


Background
On November 6, 2012, the Department of Commerce issued its acquisition project management policy. On June 24, 2014, the Department issued its Policy on Commerce Cost Estimation and Independent Cost Estimates (ICEs) for High Priority Programs and Projects. Both policies were incorporated into one directive, Department Administrative Order (DAO) 208-16, issued May 26, 2015.

A working group consisting of members of the Department and Bureau-level cost estimating community was formed to develop the U.S. Department of Commerce Cost Estimating Guide to provide guidance for performing cost estimates and assessments as described in DAO 208-16. The guidance provides detailed direction and explanation on cost estimation to improve the understanding, value, and utility of cost estimates and incorporates recommended standards and guidelines from the U.S. Government Accountability Office, the Office of Management and Budget, and the Department of Defense. The guide also includes Department of Commerce-specific cost estimating best practices.

Purpose
The U.S. Department of Commerce Cost Estimating Guide is a tool for the acquisition community to use in accomplishing the cost estimating requirements found within the acquisition project management framework contained in DAO 208-16.

Effective Date
This procurement memorandum is effective immediately and remains in effect until rescinded or incorporated into DAO 208-16.

Questions
Please direct any questions regarding this Procurement Memorandum to OAM_Mailbox@doc.gov.