



UNITED STATES DEPARTMENT OF COMMERCE  
Chief Financial Officer and  
Assistant Secretary for Administration  
Washington, D.C. 20230

## PROCUREMENT MEMORANDUM 2023-04

**MEMORANDUM FOR:** Senior Bureau Procurement Officials

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

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**SUBJECT:** U.S. Department of Commerce Cost Estimating Guide

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This procurement memorandum is effective immediately and remains in effect until rescinded or incorporated into DAO 208-16.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

Attachment A – U.S. Department of Commerce Cost Estimating Guide, Version 1.0.