Reclamation Manual  
Directives and Standards

**Subject:** Representation and Referencing of Cost Estimates in Bureau of Reclamation Documents Used for Planning, Design and Construction

**Purpose:** Sets forth basic requirements for the representation, referencing, and control of cost estimates that will or may be used externally to Reclamation, whether the cost estimates are initiated and/or developed solely by Reclamation, by Reclamation in conjunction with others, or by another entity for Reclamation. The benefit of this Directive and Standard (D&S) is improved confidence in proper documentation and use of Reclamation cost estimates.


**Approving Official:** Director, Technical Resources, 86-60000

**Contact:** Senior Advisor Design, Estimating, and Construction (DEC), 86-62000

1. **Introduction.** Reclamation develops a wide variety of cost estimates for planning, design and construction. Cost estimates may be associated with various Reclamation mission activities including, but not limited to, general conceptualization or project–scoping, appraisal, feasibility, post-authorization, operation and maintenance, modification, and a variety of special studies to analyze and address water resources management-related issues and opportunities. Cost estimates will be developed in accordance with current Reclamation Manual (RM) cost estimating Policy and D&S. The level of effort to develop a cost estimate and the preparer’s confidence in the “bottom line” of a cost estimate will be expected to vary according to the purpose and type of the cost estimate.

2. **Scope.** The requirements of this D&S relate to all Reclamation cost estimates that will or may be used, directly or indirectly, outside of Reclamation, whether the cost estimates are developed solely by Reclamation, by Reclamation in conjunction with others, or by another entity at the request of Reclamation. All cost estimates associated with Reclamation planning, design, and construction activities will conform to the requirements of this D&S.
3. **Responsibilities.**

A. **Commissioner.** The Commissioner is ultimately responsible for the quality of Reclamation cost estimates and the credibility of the organization as supported by performance related to those cost estimates.

B. **Regional Directors (RD).** RDs approve the content and usage of cost estimates associated with project work within their region’s geographic area. They will ensure cost estimates meet all requirements of this D&S and other appropriate RM releases.


D. **Area Managers, Budget Staff, Contracting Officers and Contracting Officers Technical Representatives, Liaisons, Program Analysts, Program and Project Managers, Cost Estimators, Technical Team Members, Report Certification Staff, Public Affairs Specialists, Congressional Liaisons, Supervisors, etc.** All staff engaged with cost estimates in one way or another will be knowledgeable of and adhere to requirements specific to representing, referencing, and controlling cost estimates.

4. **Displaying or Referencing Estimates.** Each display of, or reference to, a cost estimate appearing within a Reclamation report, document, or other source of information (either produced by or for Reclamation) will include, at a minimum and in a prominent and inseparable manner:

A. Origin and source of the cost estimate. This will include specific reference to the Reclamation staff responsible for the estimate;

B. Purpose, specific intended use, context, and basic defining assumptions of the cost estimate;

C. The basic scope of the estimate (e.g., construction contract costs, field costs, non-contract costs, and any other project costs);

D. A section or separate document entitled *Basis of Cost Estimate* which describes the level of detail in the cost estimate (i.e., Bottoms-up detail, unit price, lump sum, etc.). This *Basis of Cost Estimate* write-up must include important assumptions within the cost estimate for major items of work (e.g., relating to production, crew mix, vendor quotations, schedule assumptions, escalation, overheads, profit, etc.). If appropriate,

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1 Within Paragraphs 3, 4, and 5 of this D&S, the term cost estimate refers to both the cost estimate and the associated information and analysis upon which that cost estimate was based.
the *Basis of Cost Estimate* write-up will include major uncertainties or unknowns within the cost estimate. In addition this document must list and describe the reviews the cost estimate has received.

E. Any special allowances, defined in Paragraph 4.E. of *Cost Estimating* (FAC 09-01), included in the estimate and provide an explanation on how they were derived;

F. The price levels (i.e., date of the estimate);

G. Level of cost estimate (see RM Policy, *Cost Estimating* (FAC P09) and associated cost estimating D&S); and

H. If necessary, an explanation as to why any of the preceding information (Paragraphs 4.A.-F.) has not been included.

5. **Associated Qualifier.**

A. The following disclaimer will be included in any document which contains or references a cost estimate:

> Reclamation has provided the enclosed cost estimate as a resource for use in discussions among interested parties evaluating this specific project, activity, concept, issue, etc. Presentation of this estimate does not in and of itself imply Reclamation’s support for moving forward with the effort. When appropriate, Reclamation specifically will articulate support for further action through other means, such as a report containing recommendations.

B. This qualifier will be displayed in as close proximity to the cost estimate or reference as practical.