

APPENDIX C TYPES OF COST ESTIMATES

1. Introduction

a. This appendix provides guidance in establishing the components of the various types of cost estimates prepared for Civil Works projects assigned to the USACE.

b. Virtually every study, project, or activity funded under the Civil Works program requires a cost estimate. The cost estimate is an essential tool that serves as a foundation in accomplishing management objectives, budgetary submissions, and economic analysis. In a typical project life, cost estimates may be divided into the following categories:

- (1) Estimates for reconnaissance reports.
- (2) Estimates for Feasibility Reports.
- (3) Estimates during engineering and design.
- (4) Government estimates.
- (5) Estimates for contract modifications.

c. The Cost Engineer may also be required to prepare cost estimates for special purposes such as continuing project management and budgetary submissions; Special Programs such as CAP, Dam Safety Assurance Program, and OMRR&R. The procedures outlined herein are applicable to the wide variety of projects encompassed in the Civil Works program of USACE.

d. Preparation of all cost estimates is the responsibility of Cost Engineering. The preparation or review of cost estimates will be assigned to an experienced Cost Engineer. Cost Engineering should receive full support from all other elements in the district or MSC in terms of:

(1) Visualizing all features involved in complex projects.

(2) Recognizing from the start, planning, engineering, design, construction, and operating requirements to be met in the evolution of such works.

(3) Applying the total quality management concept in the biddability, constructibility, and operability (BCO) review process from the preliminary design stage through completion of construction of a project.

(4) Determining as accurately as possible the quantities to be used in the cost estimating process.

2. Estimates for the Reconnaissance Phase

a. The preliminary cost estimates prepared by the Cost Engineer, in constant dollars, during the reconnaissance phase are based on the probable type and size of the project and will include the construction features, lands and damages, relocations, environmental compliance and required mitigation, engineering and design, construction management, and contingencies. The assignment of contingencies is very important at the reconnaissance stage of project study. Contingencies are necessary to assure that unforeseen items of work or level of detail found later to be needed will not jeopardize the project recommended in the Reconnaissance Study Report as one worthy of progressing to the feasibility phase.

b. Design detail will be limited at this stage of project development. The cost estimating method used must establish reasonable costs sufficient to support a planning evaluation process for determining whether a study should proceed into the feasibility phase. Alternative plans may need to be considered before an acceptable plan is selected. Good judgement and experience of the estimating team is needed and required for preparing estimates in a method and format suitable for comparing the various alternatives studied.

c. Once it has been determined that a Federal interest is appropriate, a method of development and format must be determined. A cost estimate for the selected plan will be prepared using MCACES

31 Mar 94

software in the CWBS format to a level of detail necessary to support the preliminary scope.

d. The Reconnaissance Report will contain the cost estimate and will include:

(1) Total Project Cost Summary (ER 5-7-1).

(2) Title Page.

(3) Table of Contents.

(4) Narrative.

(5) Project Owner Cost Summary reported at all levels down to the subfeature level.

e. Cost estimates for the reconnaissance phase may be developed using quotes, calculations, unit prices, or historical data as backup. The Planning, Engineering, and Design Feature and the Construction Management Feature are obtained through the PM and may be a percentage based upon historical cost data. The costs for the Lands and Damages Feature are obtained through the PM from the Real Estate Office. All details used in developing the cost estimate will be kept in a file in Cost Engineering. These details will be made available upon request to reviewing officials.

3. Estimates for the Feasibility Phase

a. Comparative cost estimates of the viable alternatives used in selecting the NED plan must be prepared in the CWBS format to at least the subfeature level. A screening process may be used in the feasibility phase to review all the initial alternatives. Different levels of cost estimating detail may be appropriate at each level of screening. Typically, this screening process will narrow the number of alternatives to a final list, i.e., two to five viable alternatives for a more detailed assessment. Historical bid cost data, experience, and/or unit prices adjusted to expected project conditions are acceptable methods of developing project costs for these alternatives. The cost estimate for each viable alternative will include appropriate comments describing the method of construction, assumptions used in developing the estimate, and the technical/design data available. For the recommended plan (normally the NED plan), sufficient engineering and design are performed to refine the project features and develop a general design memorandum and construction schedule.

b. The cost estimate for method of development and format supporting the NED plan will be prepared using the MCACES software and the established CWBS to at least the subfeature level of detail. In general, the unit costs for the construction features will then be computed by estimating the equipment, labor, material, and production rates suitable for the project being developed. This estimate, developed with a specific price level date, must then be escalated for inflation (fully funded) through project completion. In most cases, this can be accomplished by escalation to the midpoint of construction. This TOTAL CWE which supports the project scope and schedule developed in the Feasibility Report, is defined as the "Baseline Cost Estimate" (BCE) and its value becomes fixed when the public notice is issued by the MSC. When the non-Federal sponsor requests a plan different from the NED plan, cost estimates for both the NED plan and the "locally preferred" plan will be prepared using MCACES as described for inclusion in the Feasibility Report.

c. The Engineering Appendix of the Feasibility Report will contain the MCACES cost estimate developed by the Cost Engineer and will include:

(1) The Total Project Cost Summary (ER 5-7-1).

(2) Title Page.

(3) Table of Contents.

(4) Narrative.

(5) Summary Sheets for Owner, Indirect and Direct Costs reported at all levels down to the Subfeature Level.

(6) A floppy disk containing the complete MCACES project cost estimate and associated databases for the WLRC submission only.

4. Estimates During Engineering and Design

a. Engineering and design is performed during the early phases of project development and during construction. First, there is engineering during the preconstruction engineering and design phase during which all detailed technical studies and design needed to begin construction of the project are completed, e.g., award of the first construction contract. After initial contract award, engineering continues and includes the

completion of all design for the remaining contracts and the design to support ongoing construction required during the construction period.

b. Project cost estimates during PED are primarily revisions to the TOTAL CWE due to refinements or changes in the design and/or progress schedule developed in the feasibility study. As the project is developed and the design is refined, the BCE must be used as a guide in managing the engineering and design process. A cost estimate (TOTAL CWE) must be prepared and included as a part of any required Project Design Memorandum, Feature Design Memorandum, Reevaluation Report, and/or Postauthorization Change Report. The cost estimate documentation required for any of these project submissions requiring HQUSACE or higher approval will be the same as discussed above for estimates for the feasibility phase.

c. After award of the first contract and construction of the project has begun, project cost estimates during construction again primarily become revisions to the TOTAL CWE as the design and/or progress schedule continues to become more refined. Cost estimates (TOTAL CWE) must be prepared and included as a part of each Feature Design Memorandum and/or any necessary Reevaluation Report or Postauthorization Change Report required to support the project during this phase. The cost estimate documentation required for any of these project submissions requiring HQUSACE or higher approval will be the same as discussed above for estimates for the feasibility phase.

d. As project cost estimates for plans and specifications for each contract are finalized, the TOTAL CWE is updated to reflect the changes or refinements in quantities, design parameters, and/or schedule relating to the overall project. When each contract is awarded, the TOTAL CWE will be updated to reflect the actual contract amount.

e. During construction, changes occur which affect estimates supporting construction and these must be incorporated into the contract. All design changes developed in Engineering Division during construction will be supported by a cost estimate prepared by Cost Engineering in MCACES and the appropriate CWBS. All other changes, modifications, and claims that occur during construction will have estimates as described in this appendix.

5. Government Estimates for Contract Award

a. A Government estimate is required for award of each construction contract in excess of \$25,000 (FAR/EFAR) based upon a defined set of plans and specifications that represent the cost of performing the work within the time allocated by determining the necessary labor, equipment, and materials. This may be accomplished through adjustments or additions to the appropriate detail levels in the originally prepared BCE. The bid schedule should be structured for the specific contract in coordination with the Cost Engineer. Each bid item on the bid schedule must be identified by the appropriate CWBS that will allow tracking of the total project cost. The Government estimate required for either Sealed Bidding, Invitation for Bid (IFB), or Contracting by Negotiation, Request for Proposal (RFP), will be prepared by the Cost Engineer using the MCACES software. The Cost Engineer will participate in all negotiated contracts including, but not limited to, Small Business and Small Business Section 8(a), Service and Supplies, and/or cost plus contracts.

b. The Government estimate of fair and reasonable cost for a well-equipped contractor to complete a Civil Works construction contract is referred to as the "Government estimate." The procedures outlined in this appendix will result in uniformity and accuracy in the Government estimates and will protect the Government against excessive cost for contract work. To be effective, the Government estimate must be defensible in case of protests by bidders.

c. Government estimates shall be designated "For Official Use Only" until after bid opening and will consist of the following:

- (1) Title Page
- (2) Signature Page
- (3) Bid Schedule

d. Title 33 U.S.C. Section 624 provides that projects for river and harbor improvement shall be performed by private contract if the contract price is less than 25 percent in excess of the estimated comparable cost of doing the work by Government plant or less than 25 percent in excess of a fair and reasonable estimated cost of a well-equipped contractor doing the work. The legislative history indicates the Government estimate shall not include profit. Title 33 U.S.C. Section 622 provides that the Secretary of the

31 Mar 94

Army shall, by contract or otherwise, carry out such work in the manner most economical and advantageous to the Government.

e. Directives. Those responsible for the preparation of estimates should be thoroughly familiar with the requirements of the FAR, DFAR, AFAR, EFAR, and the appropriate ER's.

f. Approvals. Government estimates for contracts exceeding \$25,000 shall be approved by the Chief, Engineering Division or the Contracting Officers appointed designee. The Government estimate will be included in the contract documentation and is subject to the final approval of the Contracting Officer (EFAR 1.602).

6. Estimates for Contract Modifications and Other Negotiated Procurement

a. FAR/EFARS require an independently prepared Government estimate for modifications in excess of \$25,000. Normally estimates are not required for changes less than \$25,000, but are required by the Contracting Officer for unilateral modifications. Further, for contract modifications, the amount refers to the sum of the absolute value of increases and decreases. For example, a modification containing an increase of \$16,000 and decrease of \$10,000 has an absolute value of \$26,000, and a Government estimate would be required.

b. The Cost Engineer should become familiar with the modification and claim processes as presented in EP 415-1-2, "Modification and Claim Guide." This reference contains discussion and regulatory requirements which will enhance the understanding of the estimating process for modifications.

c. For all negotiated procurement, including contract modifications, award requires the Government estimate to equal or exceed the negotiated price; or in the case of reductions, the negotiated credit is equal to or exceeds the Government estimate. A complete narrative justifying the cost changed from the original Government estimate will be included in the revised Government estimate. This requirement does not apply to contract awards by sealed bidding.

d. A request for preparation for estimating is generally received along with the revised contract documents and a description of the change. The Cost

Engineer has several important tasks to perform prior to actually preparing the estimate. Some important activities include (See Appendix D, paragraph 2 for specific requirements for preparation of the original Government estimate):

(1) Reviewing the documents received and becoming thoroughly familiar with the scope and requirements of the changed work. This will perhaps entail a comparison and analysis and discussions with the designer or field office, to ensure common understanding of the scope of work. The Cost Engineer must assure that the proposed modification is clearly defined with regard to specified work requirements, proposed measurement, and payment.

(2) Determining the status of construction and the effect the changed work will impact the construction schedule. This will require obtaining progress reports, schedules, and discussion with the field office responsible for the construction. For major or complex changes, a visit to the construction site is required.

(3) Becoming fully aware of the contractor's existing methods, capabilities, and rates of accomplishment. The estimate should not arbitrarily include methods and capabilities different from the method in which the contractor is performing the ongoing work. The Cost Engineer should base the change on existing contractor operations for similar work. When work is anticipated to be subcontracted, the estimate should be prepared to include subcontractor costs.

(4) Obtaining current labor rates for the work force and work actually ongoing. These rates are usually available from labor reports or from the contractor upon request. Suppliers for materials should be contacted for quotes. The price which the contractor is expected to pay should be the basis for estimating material costs. A list of equipment on the job should be obtained and equipment rates be determined.

(5) Attempting, through the negotiator, to coordinate with the contractor to agree on scope of work and format prior to preparation of the Government estimate. This discussion will assist both the Government and contractor at reaching a mutually accepted scope of work to eliminate unnecessary effort for both parties during negotiations.

e. The estimate can be prepared once all the information has been collected and analyzed, and the

Cost Engineer decides upon the format to present the change. It is important to have a prior agreement and discussion as previously indicated with the contractor. Generally, successful negotiations depend on agreement in scope of work and a detailed estimate supported by accurate cost data for all elements. General guidance for the calculation of direct costs are noted as follows:

(1) For additional work, items and format should be priced similar to a new contract as performed by the known contractor. All new work should be priced at the rates anticipated to be in effect at the time the work will be performed.

(2) For changed work, a separate quantity takeoff for each item directly affected will be required for both before and after the change. Each item should be priced at the rates which would be in effect at the scheduled time of accomplishment. Typically, each item of changed original work is priced, and each comparable item of revised work is priced at the applicable rates. The net cost (or credit) would be obtained by subtracting the total of the original work from the total of the revised work. It is important that the Cost Engineer maintains a comparable scope of work for both estimates. When an item of work will be performed as originally specified, except for a revision in quantity, the net quantity may be estimated directly for that item.

(3) For deleted work, the item and format should be priced similar to a new procurement as performed by the current contractor. Rates in effect at the time the work would have occurred should be utilized. In addition to the direct cost of the work, overhead, profit, and bond costs should be included for credit on the deleted work.

(4) Impact related costs, if applicable, should be clearly described and included as a part of each cost estimate.

(5) The cost estimate for a modification should be prepared in as much detail as required to clearly cost the change for negotiations. In many instances, even more detail is required to negotiate the lowest reasonable price. The estimate should, however, be modified to reflect a negotiated procurement in lieu of an advertised procurement. It should include a general summary sheet relating the major categories of cost of the modification, both for increases and decreases. Revised construction drawings and specifications are included in the modification supporting documents.

When the Cost Engineer prepares the estimate, the effort should be the same as the contractor acting prudently under the given conditions. The results will generally provide an accurate estimate which can be utilized as a firm basis for negotiation. The Government estimate should not rely on past generalized rates and settlements unless actually appropriate to the specific modification under consideration.

(6) The estimate should be based on the data actually collected and experienced from the project. Time motion studies are important, and periodic field visits and log records can provide this data. Previous modifications can also provide valuable data. Valuable cost data is often available from past audit reports on other modifications. With the assistance of the auditor, many costs can be readily obtained and may be directly applicable to the present modification. The Cost Engineer must exercise judgment in the use of audit information from a specific report which may not be released to the Government personnel or other contractors.

(7) In addition to the preparation of an accurate cost estimate, it must be prepared in a timely manner. Procurement requirements stress the importance of settlement prior to commencing the work. Therefore, the Cost Engineer should immediately proceed to obtain the necessary data for the modification and notify the appropriate authorities of the earliest date that the estimate can be completed. It is generally understood that the larger and more complex the change, the longer the time requirement for the initial preparation of an accurate cost estimate.

f. When a modification is initiated, the settlement of that modification includes not only the cost and time change of the work directly affected but also the cost and time impact on the unchanged work. The impact portion of a modification is very important to be estimated accurately. The scope of impact may be broad and susceptible to a large variety of situations. The following discussion will provide guidance and understanding of impact cost considerations.

(1) Generally, the greatest portion of impact costs results from acceleration and/or delays due to changes. When delays due to a change can be minimized, impact costs are reduced. Impact costs are normally determined on a case-by-case basis for each particular situation. The determinations have been based on interpretation of the Contract General Provision

Clauses; and on Board of Contract Appeals and court decisions.

(2) Impact costs are generally presented by the contractor as part of the proposal. The existing construction schedule furnished by the contractor must be analyzed to determine the actual construction and the extent of the impact at the time of the change. The modification work must be superimposed upon the original schedule in such a position to determine and minimize the delay. The revised plan must then be thoroughly reviewed relative to the existing job plan. This comparative review should indicate those areas which have been affected by the modification.

(3) Once the extent of impact has been determined, each cost claimed must be classified as either factual or judgmental. The actual costs are those which are fixed and established and can be determined directly from records. These include rental agreements, wage rate agreements and purchase orders. Once the item has been determined valid as a factual impact, the item cost may be directly calculated. The amount of cost change is stated on the certified document or can be determined from the scheduled time change of the construction progress plan. Judgmental costs are those which are dependent on variable factors such as performance, efficiency, or methodology and cannot be stated factually prior to actual accomplishment. These must be negotiated and based upon experienced judgments. In actual practice, most factual costs are based to varying degrees upon judgment.

(4) The estimate of impact should be prepared for each activity affecting the change. In some cases, the impact items are typically so interrelated that it is often best to develop a detailed plan for accomplishing the remaining work. Each item in this plan would be estimated at the productivity and rate in effect at the time the work is to be accomplished. The same items of work under the original plan would also be estimated at the productivity and rate in effect at the originally scheduled time. The comparison of these two estimates yields the cost of impact. Impact costs determined to be valid must be estimated by the most accurate method available and included in the modification.

g. The following impact factors or conditions play a recurring role in determining impact costs. Each modification must be evaluated separately and impact costs considered specially for the implications of the particular change.

(1) Impact costs are considered factual, and they include escalation of material prices, escalation of labor wage rates, and change in equipment rates.

(2) Impact costs considered judgmental include change of efficiency resulting from rescheduling; loss of labor efficiency resulting from long hours; loss of efficiency caused by disruption of the orderly existing processes and procedures; inefficiency from tearing out completed work and the associated lowering of morale; loss of efficiency during rescheduling of manpower; inefficiency incurred from resubmittal of shop drawings, sample materials, etc., and additional costs resulting from inability to transfer manpower expertise to other work.

(3) Impact costs considered factual but based on judgmental decisions include increase from extending the storage period for materials and equipment; increase from extending the contract for labor cost and subsistence; increase from a longer period of equipment rentals and/or use; increase from a longer period of using overhead personnel, materials, and utilities; increase from a longer period of providing overhead and project office services.

(4) Impact costs should only be included by detailed itemization and only after having been found to be valid.

h. Support for negotiations includes the following items:

(1) Before participating as part of a negotiating team, the Cost Engineer must become thoroughly familiar with negotiating requirements and techniques. The expertise and support of the Cost Engineer can be very beneficial in major and complex changes.

(2) The contractor's proposal should be reviewed by the Cost Engineer. Many of the costs that are presented in the contractor's proposal breakdown must be reviewed for allowability. Of those costs found allowable, each item must further be reviewed for applicability for that portion relevant to the particular change. The auditor has primary responsibility for this determination and should advise the negotiation team accordingly. For those cases where the auditor is not directly involved, the negotiation team must base their decisions on regulatory guidance and the best expertise available. In accomplishing the review of the proposal, the Cost Engineer should remain constantly aware of the contractor's profit motivation. The Government

must consider all reasonable costs anticipated to be incurred by the contractor.

i. Cost breakdown figures in the Government estimate may be revealed only to the extent determined necessary by the negotiator to settle disputed items of work. On occasion, important information has been revealed through negligence by allowing the estimate to lay open upon the negotiation table. The "For Official Use Only" designation shall be removed after issuance of a signed modification.

j. Revision of the Government estimate may be necessary as a result of an error, changed conditions, or additional information. The district or MSC should assure that the appropriate responsibility for modifying the Government estimate is delegated to the appropriate authority. Government estimates for modifications may be revised when necessary either by supplementary sheets or by actually changing the contents of the original estimate pages. The method used will be determined by the extent of the revision and the format utilized. All revisions to the estimate must be clearly indicated, dated, justified, and approved by the appropriate authorities. A copy of each estimate that has been approved should be included in the official modification file along with the details and circumstances causing the revisions.

k. Directives. Those responsible for the preparation of cost estimates for contract modifications should be thoroughly familiar with the requirements set forth in FAR, DFAR, AFAR, EFAR and the appropriate ER's.

l. Approvals. Government estimates for contract actions less than \$100,000 that occur during construction shall be approved by the ACO or appointed designee. For other contract actions including those exceeding \$100,000, the approval of the estimate shall be the Chief, Engineering Division or the Chief, Construction Division (as appropriate); or the Contracting Officers appointed designee. When the Government estimate is changed during or subsequent to conferences or negotiations, the details of the basis for the revision or changes in price shall be fully explained and documented in the price negotiation memorandum, see FAR 36.203(102). The Government estimate will be included in the contract documentation and is subject to the final approval of the Contracting Officer or ACO.

7. Estimates for Operation, Maintenance, Repair, Rehabilitation and Replacement (OMRR&R)

This project phase is managed by the Operations Division and is divided into two categories, major rehabilitation and all other work.

a. Major rehabilitation. The development of major rehabilitation projects is based on an Evaluation Report which is similar to a Feasibility Report in economic justification, evaluation of alternatives, and identification of a recommended plan. Cost estimates developed to evaluate alternatives considered in the report may be based on historical data. The cost estimate for the recommended plan shall be developed using MCACES and the CWBS in the same format as a cost estimate for a Feasibility Report.

b. Other OMRR&R projects. All OMRR&R projects not meeting the criteria for major rehabilitation fall in this category. The recurring nature of these projects facilitates the development of a historical database. This historical data lends itself well to use in MCACES for development of the cost estimates for these projects. The cost estimate for the recommended plan shall be developed using MCACES and the CWBS in the same format as a cost estimate for a Feasibility Report.

8. Estimates to Support Other Programs

a. Continuing Authorities Program (CAP). CAP projects are often limited in scope, and initial planning studies are usually limited in time. Cost estimates should follow the guidance presented earlier for Civil Works projects except as required herein. For projects whose total Federal cost is below \$2,000,000, the use of MCACES software is optional for both the Reconnaissance and Feasibility level cost estimates. These estimates must, however, fully support the report recommendations with accurate cost data documented with the appropriate narrative. For projects exceeding \$2,000,000 in Federal cost, the use of MCACES is required at the Feasibility or DPR stage for the recommended plan only.

b. Dam Safety Assurance Program. Projects approved under the Dam Safety Assurance Program will require budget justification and other supporting data similar to that required for specifically authorized projects. The initial document for these projects is

called a reconnaissance study (e.g. Reevaluation Report). This report is comparable in scope and purpose to a feasibility report. Normally, a major portion of the design has been completed, and execution of the work will be completed in the same procedure for a typical Civil Works project. The cost estimate prepared for this report becomes the BCE when approved by the MSC.

(1) The cost estimate prepared to support the Reconnaissance study is developed using labor, equipment, materials, and production rates. The cost estimate for the recommended plan shall be developed using MCACES and the CWBS in the same format as a cost estimate for a Feasibility Report.

(2) Once the Reconnaissance study has been approved, Design Memorandum (DM) and Plans and Specifications will be developed in preparation for project advertisement. The cost estimate will be revised and updated as design proceeds and plans and specifications are completed. A Government estimate will be prepared for contract award in accordance with the established guidance for Civil Works projects.

9. Protests to the Reasonableness of the Government Estimate

a. When all bids are more than 25 percent above the Government estimate, there is a possibility that one or more of the bidders will protest the reasonableness of the Government estimate. If this occurs, the Cost Engineer has a major role in documenting the contract file to support the Government estimate and/or evaluate the bid protest.

b. Review of the Government estimate by the Cost Engineer follows notification of a bid protest. The Cost Engineer shall review the estimate to be sure that it does not contain any errors, in calculation or in judgment. This step must be completed as soon as possible to inform the district or MSC which direction should be taken in dealing with the protested bid.

c. Revision of the Government estimate should be done immediately if an error is found. The explanation of the error should accompany the revised estimate which requires the same approval authority as the original Government estimate. If the revisions brings the low bid within 25 percent of the revised Government estimate, the contract can be awarded to the low bidder under the normal procurement processes.

d. Technical analysis and cost analysis of bid protest is the responsibility of the Cost Engineer. If the Cost Engineer determines that there is no valid reason for revision of the original Government estimate, or if revisions are made and the low bid is still more than 25 percent above the Government estimate, the contract may not be awarded. Sometimes a bid protest follows when this situation occurs. A technical and cost analysis will be prepared by the Cost Engineer which becomes a part of documentation supporting a Contracting Officers Decision denying the protest, if appropriate.

(1) The technical analysis will consist of an in-depth, point-by-point response to all items brought up by the protesting bidder, or bidders.

(2) The cost analysis will consist of the Government estimate, including all backup and support data and complete explanations about assumptions made and, if available, historical data from previous similar jobs which support the Government estimate. Proprietary information such as quotes will not be revealed during this process.

e. Meetings may be held with the apparent low bidder to ensure that both the Government and the bidder envision the same scope of work. These meetings will also allow the bidder to discuss with the Government Cost Engineer unusual conditions or circumstances that may affect or complicate the work. If the meeting reveals an error or omission in the Government estimate, the Government estimate may be revised and the contract awarded.

f. Once bids have been opened, the bid schedule will reveal the value of the Government estimate. The Bid Abstract prepared by Contracting Division will be released to the public for a formal solicitation for IFB procurement. The Government estimate will not be made public for all negotiated procurement (RFP). The backup data supporting the Government estimate will be kept on file in Cost Engineering and will not be released. There are valid reasons for not releasing the backup data supporting the Government estimate.

(1) There is a possibility that the project will be readvertised and the Government estimate should not be released disclosing the value to the other possible bidders in future solicitations.

(2) There is a possibility that the project will be converted to negotiated procurement.

g. Support to legal staff by the Cost Engineer may become necessary. A bid protest may take several months to resolve. The protest will be reviewed and evaluated at the district or MSC level, and at HQUSACE. During each of these review processes, questions will arise and the Cost Engineer will be called on to support the estimate. The Cost Engineer is the person most familiar with the Government estimate and, as such, should be prepared to assist the legal staff to resolve the protest. In some cases, the protest cannot be resolved through these channels and the bidder may choose to take the Government to court. The Cost Engineer should be prepared to testify in court in support of the cost estimate.