

**SUBJECT: CENTRALIZING COST ESTIMATING ACTIVITIES IN THE  
NATIONAL NUCLEAR SECURITY ADMINISTRATION (NNSA)**

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**PURPOSE:** Define roles and responsibilities for cost estimating activities in the Office of Cost Estimating and Program Evaluation (CEPE) and Management and Budget (NA-MB) due to the realignment of the planning, programming, budget, and evaluation (PPBE) process.

**URGENCY:** Implement the centralization of cost estimation activities within CEPE and NA-MB prior to the establishment of a NAP for cost estimation in support of programs, minor revisions to NAP 413.3, *Responsibilities for Independent Cost Estimates*, and the cancellation of BOP 413.3, *Independent Cost Estimation Procedure*.

**APPLICABILITY:** This ACD applies to all federal NNSA elements.<sup>1</sup>

**BACKGROUND:** NNSA currently distributes federal cost estimating responsibilities throughout the enterprise. As part of the PPBE realignment, cost estimating activities will be centralized into CEPE and NA-MB.

**REQUIREMENTS:**

1. NA-MB must provide the cost estimating activities that support program elements and field offices, requirements for acquisition support, scenario planning, options analysis, and budget planning. NA-MB must provide the cost estimating activities to the Office of Acquisition and Project Management (NA-APM) that support cost and schedule analyses and the identification of cost drivers in current design and construction projects.
2. CEPE must lead NNSA's independent cost estimates (ICEs) and independent cost reviews of programs governed by the 6.X process; projects governed by DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*; any other ICEs required by statute or policy; and as directed by the Administrator.
3. NA-MB and CEPE must be the only organizations that conduct or, through the Office of Acquisition Management, contract for cost estimating activities, except as noted below.
  - a. This requirement does not extend to federally conducted cost/price analyses or market analysis used in contracting to develop Government negotiation positions for NNSA contracts.

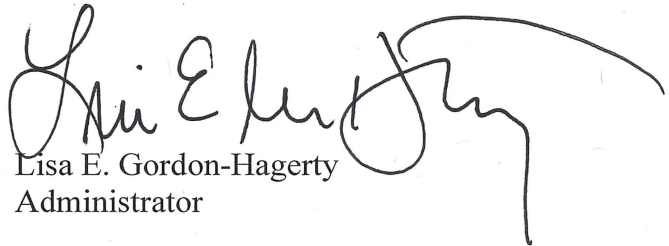
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<sup>1</sup> In accordance with the responsibilities and authorities assigned by Executive Order 12344, codified at 50 U.S. Code sections 2406 and 2511, and to ensure consistency throughout the joint Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors (Director) will implement and oversee requirements and practices pertaining to this Directive for activities under the Director's cognizance, as deemed appropriate.

- b. The program offices must either conduct or request NA-MB to conduct Independent Government Cost Estimates (IGCEs) for contracts. The program office must provide the IGCE to NA-APM for contract actions.

For questions or comments concerning this ACD, please contact Management and Budget at 202-586-0101.

BY ORDER OF THE ADMINISTRATOR:



Lisa E. Gordon-Hagerty  
Administrator