

Section 3: Validation of a Cost Estimate/Lessons Learned



Section 3



Validation of a Cost Estimate/ Lessons Learned



1

In Section 2 we discussed and demonstrated the development of planning and detailed estimates. In this section, we will discuss and demonstrate the validation of a cost estimate.

The following subsections will cover:

Section 3.1 will discuss the why's, who's, where's, and when's of a cost-estimate validation;

Section 3.2 will review the validation process; and

Section 3.3 will use a real-life DOE project example to work through a validation exercise.

Notes / Discussion Points / Lessons Learned: _____

Section 3: Validation of a Cost Estimate/Lessons Learned



Validation Guidance



IPABS provides the following validation guidance:

- **Site is responsible for validation**
- **Validation is commensurate with the complexity and size of the project**
- **HQ provides the Field necessary elements of validation**
- **Project Manager determines when to validate**
- **Project Manager determines who will validate**
- **Project Manager invites HQ's participation**

2

IPABS provides the following guidance for project validation:

- Each site is responsible for having a process for validating project baselines (schedule, cost, and scope).
- The depth and scope of the validation process is to be commensurate with the complexity and size of the project.
- To ensure consistent validation standards throughout the EM complex, HQ establishes and provides the Field with the necessary and sufficient elements of a validation.
- The Project Manager determines when a project should be validated.
- The Project Manager determines the appropriate level and cross section of organizations to assist in the validation.
- The Project Manager invites HQ personnel to participate in the project validations that are conducted at the convenience of the site.

Notes / Discussion Points / Lessons Learned: _____

Section 3: Validation of a Cost Estimate/Lessons Learned



Validation



Note:

Different programs call “validation” by different names. We will not discuss differences in what we call validation or which program is performing validation, but we will discuss validation as a general process.

3

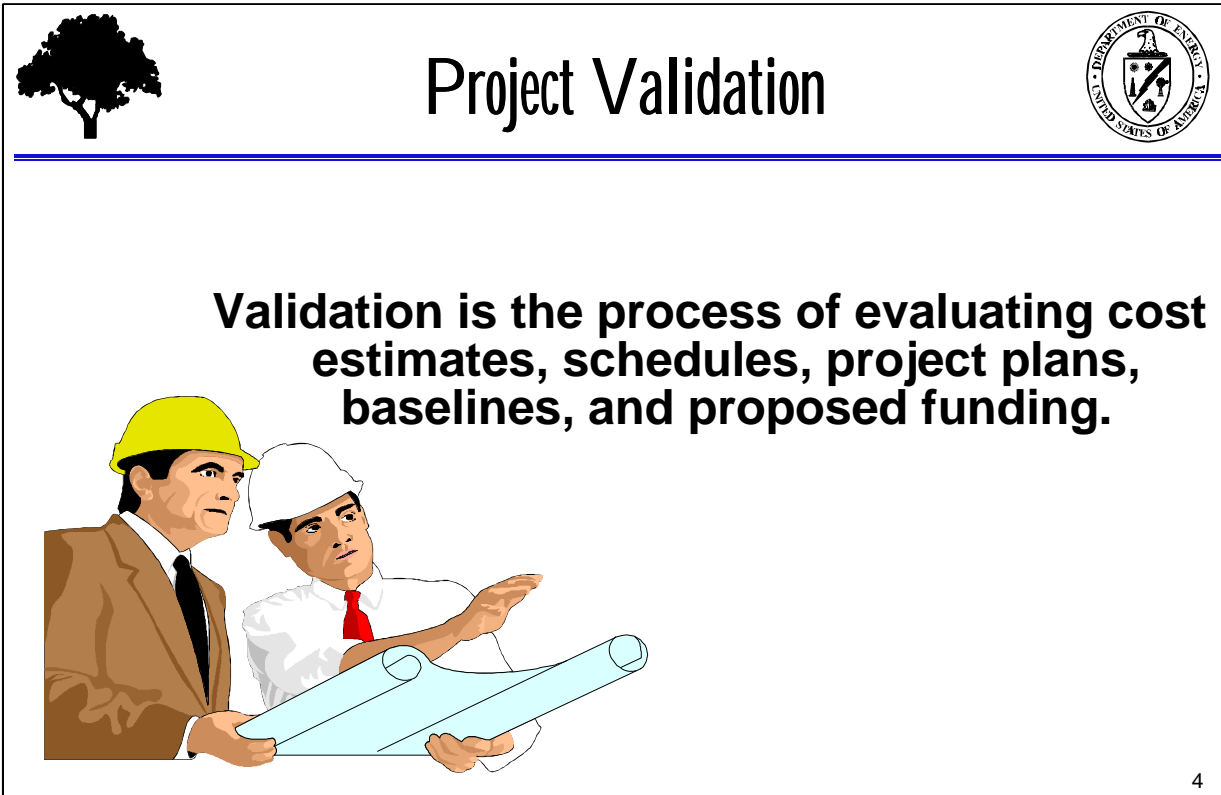


Note:

Different programs call “validation” by different names. We will not discuss differences in what we call validation or which program is performing validation, but we will discuss validation as a general process.

Notes / Discussion Points / Lessons Learned: _____

Section 3: Validation of a Cost Estimate/Lessons Learned



Project Validation

Validation is the process of evaluating cost estimates, schedules, project plans, baselines, and proposed funding.

4

Validation is the process of evaluating cost estimates, schedules, project plans, baselines, and proposed funding.

Validation is required for projects or systems before seeking funding.

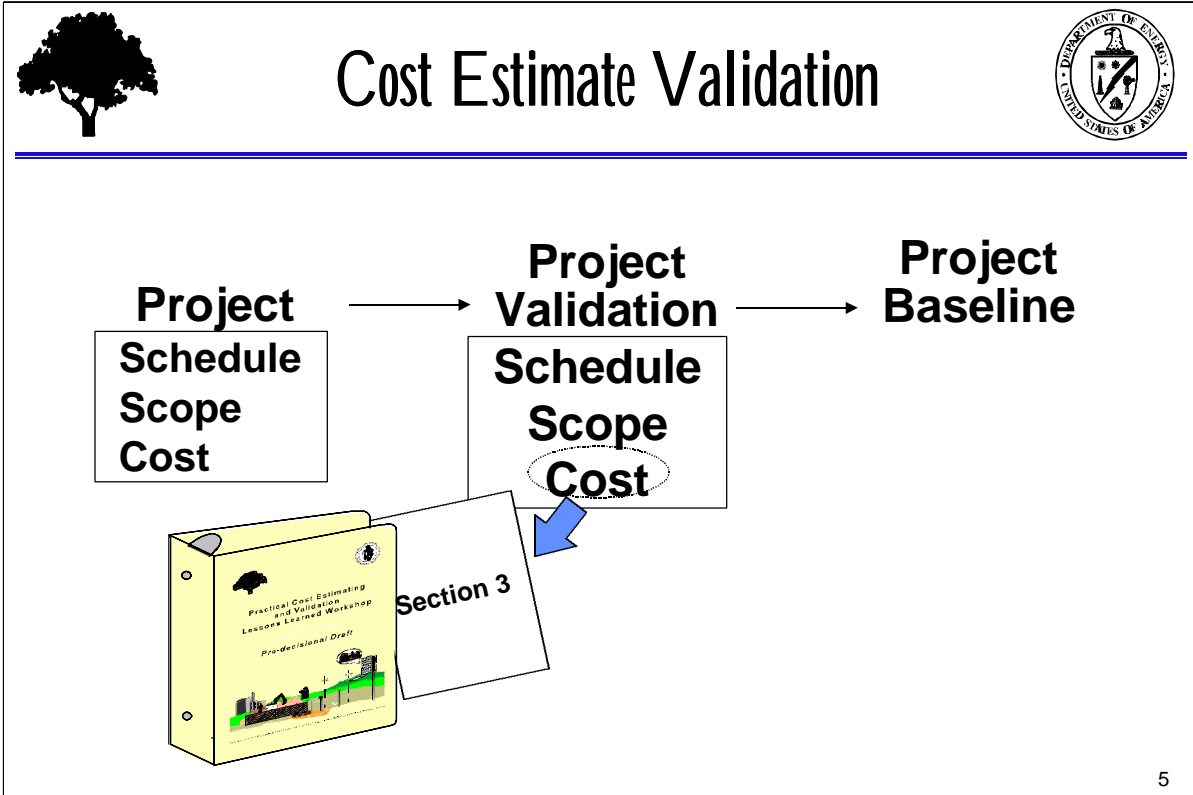
The process requires a review of project planning and conceptual development documentation.

The process requires discussion with program or field elements and principal contributing contractors to determine the validity of requirements for proposed project scope, cost, schedule, and funding.

Findings and recommendations resulting from the validation process are provided for use in formulating the annual budget.

Notes / Discussion Points / Lessons Learned: _____

Section 3: Validation of a Cost Estimate/Lessons Learned



The following subsections will focus on the validation workshop of a cost estimate as a key part of the project validation.

Notes / Discussion Points / Lessons Learned: _____

