

STATEMENT OF WORK (SOW) TEMPLATE FOR ICE SUPPORT CONTRACTOR

The template presented below is a Statement of Work (SOW) for services of an ICE Support Contractor for assisting OECM in conducting an ICE. Project and review specific information should be incorporated. Explanatory text appears in italics, while information that should be selected appears in <<brackets>>. The format and contents of this SOW is not compulsory, and the use is at the discretion of the OECM Analysts, tailored as appropriate for the desired contractor support activities. If no contractor support is required, this appendix is not used.

Statement of Work for Independent Cost Estimate (ICE)

<<Project Name>>

<<Purpose of ICE (i.e., Alternative Selection and Cost Range (CD-1), Establish
Performance Baseline (CD-2), other as specified>>

<<Site>>

<<Date>>

Project Background

Project Name:

Project ID:

Project Site:

Lead Office:

FPD:

Project Type:

Total Project Cost:

Prime Contractor:

Add project background description and related information to allow the ICE contractor to plan the work activities and staffing and to estimate task cost and schedule.

Points of Contact

Name	Organization/Position	Phone/Email
	OECM Lead	
	FPD	
	PMSO Point-of-Contact	

Purpose

The DOE Office of Engineering and Construction Management (OECM) requires the services of a Contractor to support an Independent Cost Estimate (ICE) to confirm the reasonableness of the project cost and schedule estimates for the << applicable review type>> milestone. The purpose of an independent, non-proponent entity conducting an ICE is intended to provide confidence to the Acquisition Executive and senior leadership within the Department of Energy, with minimal bias, that the project has reasonably estimated the schedule and cost. The work will be performed pursuant to reference (b), which requires that an ICE be performed for projects with a Total Project Cost (TPC) greater than or equal to \$100M, or as designated by the SAE>>, and which further specifies that the Office of Engineering and Construction Management (OECM) be responsible for performing the ICE.

Requirements\Deliverables and Scope

The ICE shall be performed in accordance with references (a), (b) and (c). These documents are general in nature, and OECM expects the respective ICE contractors to exercise their professional judgment in appropriately tailoring their numerous detailed requirements to the specific requirements of the Project. Below is a notional schedule for the ICE:

<u>Activity</u>	<u>Nominal Schedule</u>
<i>Receipt of Project Materials for Sufficiency Review</i>	<i>Time 0</i>
<i>Sufficiency Review & Notification to Proceed</i>	<i>1-2 weeks after receipt of documents</i>
<i>Draft Estimate Plan</i>	<i>1 week</i>
<i>Final Estimate Plan</i>	<i>1 week after OECM approval of Draft</i>
<i>Detailed Documentation Review</i>	<i>1-2 weeks</i>
<i>On-Site Review</i>	<i>1-2 weeks</i>
<i>List of Open Items</i>	<i>At ICE Onsite Closeout</i>
<i>Additional document review</i>	<i>1 week</i>
<i>Complete Draft Estimate</i>	<i>1-4 weeks (or as specified in the approved estimate plan)</i>
<i>Submit Draft ICE Report</i>	<i>1 week</i>
<i>Reconciliation</i>	<i>2-3 weeks after receiving Project comments</i>
<i>Submit Final ICE Report</i>	<i>1 week after completion of reconciliation</i>

Note: OECM Lead should modify the nominal schedule appropriate for the Type of estimate to be performed and time available. The ICE support contractor should comment on the schedule in the proposal response.

Requirements\Deliverables

- Receipt of Project Materials for Sufficiency Review and Onsite Readiness Assessment

In advance of the on-site review, the ICE contractor will determine if the project documentation is sufficiently complete to conduct a meaningful ICE. The receipt of project materials for sufficiency review should be submitted to the ICE team members in adequate time to allow review prior to an on-site readiness assessment (if scheduled). The ICE contractor will notify in writing the Contracting Officer's Representative (COR) and OECM that the documentation provided is satisfactory to proceed with the ICE. If the supporting documentation is not satisfactory to proceed with the review, then the ICE team will notify the COR and OECM for decision to either suspend or proceed with a partial review.

- ICE Estimate Plan

If the documentation is satisfactory, the ICE team will develop an estimate plan for OECM review. The ICE contractor will develop the estimate plan in accordance with the OECM Cost Review and Estimate SOP. OECM will approve the estimate plan prior to conducting the ICE. The estimate plan should describe the type of ICE to be performed.

ICE Scope: Perform a <<Type III (parametric estimate approach) and/or Type IV (sampling estimate approach), or Type V (bottom-up estimate approach)>> independent cost estimate in support of a <<CD-2, Approve Performance Baseline, or CD-3, Approve Start of Construction/Execution>> milestone. The independent estimate should be prepared using an unconstrained funding (budget) assumption.

- ICE Reports (Draft, Final and Corrective Action Plan Review)

Contractor shall prepare and submit the following reports to OECM:

- Draft ICE Report
- Final ICE Report (following reconciliation)

The ICE Report shall be organized into the following sections, as necessary and appropriate. OECM and the ICE Contractor may mutually agree to add or delete particular sections, based upon the scope of the final ICE Review Plan.

- Executive Summary
- Background (including project cost/baseline history)
- Project Status
- Technical Baseline Description (include Scope statement)
- Information available to the ICE team
- Cost estimate method (s) used
- Assumptions (for both project team and ICE team)
- Cost estimate results (including life cycle cost estimate)
- Cost Variance Analysis (explanation of differences in Project and ICE estimates by WBS)Schedule Analysis/Variance
- Funding Profile Analysis/Variance

- Independent Risk Analysis and Contingency Analysis
- Reconciliation Results – open items (completed after reconciliation process) included in Final Report
- Reconciled Costs (in Final Report)
- Conclusions
- Report Appendices:
 - A. ICE Team Members, Assignments, and Biographical Sketches of SMEs
 - B. Detailed Comments on Cost Estimate (*if applicable*)
 - C. Detailed Comments on Other Documents (*if applicable*)
- The Executive Summary of the ICE Report shall include a summary discussion of the results of the ICE Team's estimate and compare it to the project team's estimate. Key differences should be highlighted. The draft report should highlight areas of agreement and areas to concentrate on during the reconciliation process. The final report should include the actions taken during reconciliation with any adjustment in the cost estimate.
- The ICE report will include a summary tabulation of the costs and schedules for the ranges, and identify any other concerns or issues as defined in reference (a).
- The cost estimates should be based on unconstrained funding (budget). If the ICE team is aware of constraints on funding this information should be included in the report.
- Project Documentation CDs or DVDs. The ICE final report should be available to the OECM Team Lead in a format to enable loading into PARS II (Adobe—pdf—or alternative as required). In addition, all project documentation gathered during the review should be indexed and provided to OECM in a consolidated set of CDs or DVDs.

References

- (a) Department of Energy (DOE) Office of Engineering and Construction Management, *Cost Review and Estimate (ICR, ICE) Standard Operating Procedure* (Draft), August 2011
- (b) DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*
- (c) DOE Guide 413.3-9A, *Project Review Guide for Capital Asset Projects*
- (d) U.S. General Accountability Office, *GAO Cost Estimating and Assessment Guide*, GAO-09-3SP, March 2009.
- (e) DOE Guide 413.3-21, *Cost Estimating Guide*, 5/9/11
(*Additional documentation that may be applicable*)

**<<DRAFT OR FINAL>>
<<REPORT OR ESTIMATE PLAN>>**

**INDEPENDENT COST ESTIMATE
OF**

**<<NAME >> PROJECT
<<PROJECT NUMBER>>
<<SITE>>
<<CITY, ST>>**

**<<DATE OF REPORT
OR DATE OF ON-SITE VISIT IF REVIEW PLAN>>**



**U.S. Department of Energy
Office of Engineering and Construction Management
1000 Independence Avenue, SW
Washington, DC 20585**

