



United States Government Accountability Office
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PRESS RELEASE

“HOW MUCH WILL THIS PROGRAM REALLY COST?”

**GAO Issues First-of-Its-Kind Cost Estimating Guide
to Answer Such Questions**

Washington, DC (March 2, 2009) – The U.S. Government Accountability Office (GAO) today issued its first-ever manual to help federal, state, or local government agencies develop more reliable cost estimates for government projects of all sizes.

Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs (GAO-09-3SP), which is available on-line at www.gao.gov, applies to civilian and defense projects managed by government entities or private contractors.

“GAO’s new guide is intended to help agencies produce well-documented, comprehensive, accurate, and credible estimates. The federal cost-estimating community has long needed better tools for preparing cost projections. GAO’s new manual, with its formalized approach to cost estimating based on best practices, will go a long way to bridging that gap,” said Gene L. Dodaro, Acting Comptroller General of the United States and head of the GAO. “Government agencies will be better able to avoid common problems, such as cost overruns, missed deadlines, and performance shortfalls,” Dodaro added.

Developed with input from industry experts as well as federal officials, the 436-page *Cost Estimating and Assessment Guide* lays out a multi-step process for developing high-quality, trustworthy cost estimates; explains how to manage program costs once a contract has been awarded; and presents 48 case studies, drawn from GAO published audits, that illustrate typical pitfalls and successes in cost estimating. The guide stresses both sound cost estimating and earned value management (EVM), a project management tool that compares completed work to expected outcomes, in setting realistic program baselines and managing risk. In future audits, GAO plans to use the *Cost Estimating and Assessment Guide* to assess the accuracy of agencies’ cost estimates and determine whether programs are on schedule. The guide can be found here:

<http://www.gao.gov/products/GAO-09-3SP>.

For more information, contact Chuck Young, Managing Director for Public Affairs, at (202) 512-4800.

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GAO, the audit and investigative arm of Congress, helps meet legislators’ need for timely and reliable information on a wide range of government activities. The agency seeks to improve the performance of the federal government and hold it accountable to Congress and, ultimately, the American people. GAO examines the use of public funds; evaluates how well programs and policies are meeting their objectives; and provides analyses, recommendations, and other assistance to help Congress make sound oversight, policy, and funding decisions.