



**FEMA**

**MAR 1 2007**

**MEMORANDUM FOR:** Regional Directors  
Acting Regional Director  
Regions I-X

**ATTENTION:** Response and Recovery Division Directors  
  
Caribbean Area Office Director  
Pacific Area Office Director

**FROM:** David Garratt  
Acting Director of Recovery

**SUBJECT:** Implementation of the Cost Estimating Format (CEF) in the  
Public Assistance Program Module of NEMIS

This purpose of this memorandum is to inform you that beginning Thursday, March 15, 2007, staff must use the CEF to develop cost estimates for all large permanent work projects which are less than 90% complete at the time of inspection. In order to save large project worksheets (PWs) in NEMIS, staff must enter the estimate as a lump sum in the PW cost estimate tab using Cost Code 9000 "CEF COST ESTIMATE (SEE ATTACHED SPREADSHEET)" and attach the CEF spreadsheet to the PW.

The CEF is a tool (spreadsheet) that is used to estimate the cost of constructing large projects (categories C-G only) across the entire range of eligible permanent work (from design to project completion) as part of the Public Assistance Program's customer service focus. Using the CEF allows the applicant to budget costs and manages the project with a greater degree of confidence.

The CEF will be used on large projects (categories C-G) that cost more than \$59,700 (for fiscal year 2007). Project Officers (POs) should develop a detailed scope of work in consultation with the applicant and develop Part A of the estimate using historical data, unit cost data, or FEMA cost codes. The applicant must indicate whether it will complete the project by force account or contract. This may affect the estimate, in that for simple projects, Part A may capture all relevant costs such that Parts B-H are not needed. The PO applies the CEF to the scope of work to develop a total cost estimate for a qualifying large project, and that estimate is used as the

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basis for obligating funds. Eligible final costs are reconciled in the usual manner once the project has been completed.

Historically, the average number of categories C-G large projects is 28 per disaster. Many of these are not complex projects. The required use of the CEF should not materially increase the staff assigned to your disaster, as POs should be knowledgeable about estimating costs for their disciplines and the use of the CEF spreadsheet.

The CEF should not be used for small projects, emergency work projects, or when contract bid costs for eligible work are available. It is intended for use on categories C-G permanent work only. The process for applying the CEF is more thoroughly explained in the Cost Estimating Format for Large Projects Instructional Guide. The guide is accessible from the Public Assistance webpage through the Internet and can be found at <http://www.fema.gov/government/grant/pa/ceftoc.shtm>. This is the most expedient method of access for Public Assistance documentation in a Joint Field Office environment.

If you have any questions regarding CEF procedures within the NEMIS PA Module, please contact Alex Burns of the Public Assistance Branch at 202-646-4550. If you have any questions regarding CEF application, please contact David Duffer of the Public Assistance Branch at 202-646-3532.