

Background

How does the Psychological Health Center of Excellence (PHCoE) assess and select research project concepts? Leveraging a unique blend of **cost estimation**, **project management**, and **program evaluation**, PHCoE evaluates and approves psychological health research projects. PHCoE developed a cost estimation tool, known as the **Project Resource Estimator (PRE)**, that aids in cost estimate development and categorization, and helps shape budgetary planning. The PRE drives determinations of project feasibility using an order of magnitude approximation. Upon approval, the project undergoes project management processes that have been developed internally using industry-recognized practices.

Project Resource Estimator (PRE) Definition

The PRE is a supplemental document that is used to forecast resource expenditures. Key data from the tool include a full-time equivalent (FTE) projection and cost estimate for a proposed project. Costs are differentiated as **budgeted** or **non-budgeted**.

Budgeted costs include any funding requirements – labor and/or other direct costs (ODCs) – that have already been accounted for in the budget within a given fiscal year (e.g., filled billet(s), salaried positions under an existing contract). Non-budgeted costs, however, are funding requirements (labor and/or ODCs) above and beyond the current allocated budget; development of a new contract or modification of an existing contract may be required to meet these costs.

Project Resource Estimator (PRE)

Project Information														
Project Title	Example 2018 MHSRS Research Project													
Start Date	8/20/2018													
Target End Date	8/20/2020													
Labor														
Staff	Type	Position (GS-14 O-5 Subject Matter Expert)	Staff Member Name (Use First Last)	Budgeted	Branch	% Week	% Year	Annual Hours	FTE	Cost Basis	Annual Labor Cost	Project Labor Cost	Branch	FTE
1	Non Contractor	GS-14 O-5 Subject Matter Expert	LCDR John Doe	Y	DD	50%	50%	520.00	0.2500	\$ 129,869.00	\$ 32,467.25	\$ 65,023.45	DD	0.9000
2	Non Contractor	GS-11 O-2 Project Analyst	Mr. Sam Doe	Y	DD	20%	100%	416.00	0.2000	\$ 77,099.00	\$ 19,274.80	\$ 38,549.60	ABK	0.0000
3	Contractor	GS-06 E-7 Entry Level Contractor	Ms. Jane Doe	Y	P&A	50%	75%	780.00	0.3750	\$ 52,507.84	\$ 19,690.44	\$ 39,434.83	P&A	0.7500
4	Contractor	GS-11 O-2 Project Analyst	Ms. Samantha Doe	Y	P&A	50%	75%	780.00	0.3750	\$ 85,362.08	\$ 32,385.78	\$ 64,860.29	PCBH	0.0000
5	Contractor	GS-11 O-2 Project Analyst	Mr. Extra Doe	N	DD	40%	100%	632.00	0.4000	\$ 99,442.88	\$ 34,544.83	\$ 69,168.31	EE	0.0000
6	Contractor	GS-09 O-3 Junior Project Analyst	Ms. Extra Doe	N	DD	20%	25%	104.00	0.0500	\$ 71,379.84	\$ 7,147.78	\$ 14,295.56	EE	0.0000
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Other Direct Costs (ODCs)														
ODC Category	Budgeted	ODC Description	Annual Cost	Project Cost	Annual Budgeted ODCs	Annual Non-Budgeted ODCs	Total Annual ODCs							
Travel					\$ 500.00	\$ 1,001.37	\$ 1,501.37							
Printing / Fabrication	Y	Printing of brochures	\$ 500.00	\$ 1,001.37	\$ 500.00	\$ 1,001.37	\$ 1,001.37							
Equipment														
Software														
Other														
Other														
Other														
Total Costs														
Annual														
Total Budgeted Costs	\$ 100,465.27													
Total Non-Budgeted	\$ 38,113.92													
Total Annual Cost	\$ 138,579.09													
PROJECT														
Total Project Costs	\$ 277,537.88													

Project Information

- Project duration is an input into total project cost
- Projects greater than a year assess an annual cost and an aggregate total cost

Captures general project information and anticipated project duration. All new research proposals require a PRE. Research work can not begin until leadership approves concept and cost estimation.

Labor

- Staff members are identified as contract and non contractor
- Contract-sensitive data are never shared, as contractors are generally categorized and measured against a GS pay scale
- GS and military rank equivalencies were identified through the Department of Defense Financial Management Regulation 7000.14-R (Appendix B)

Workforce costs account for the greatest proportion of costs at PHCoE. Estimation of labor resources is of the utmost of importance to help shape budgets and appropriately allocate resources. Key outputs are **FTE and annual/project labor costs**.

Labor costs are the greatest costs for PHCoE research projects

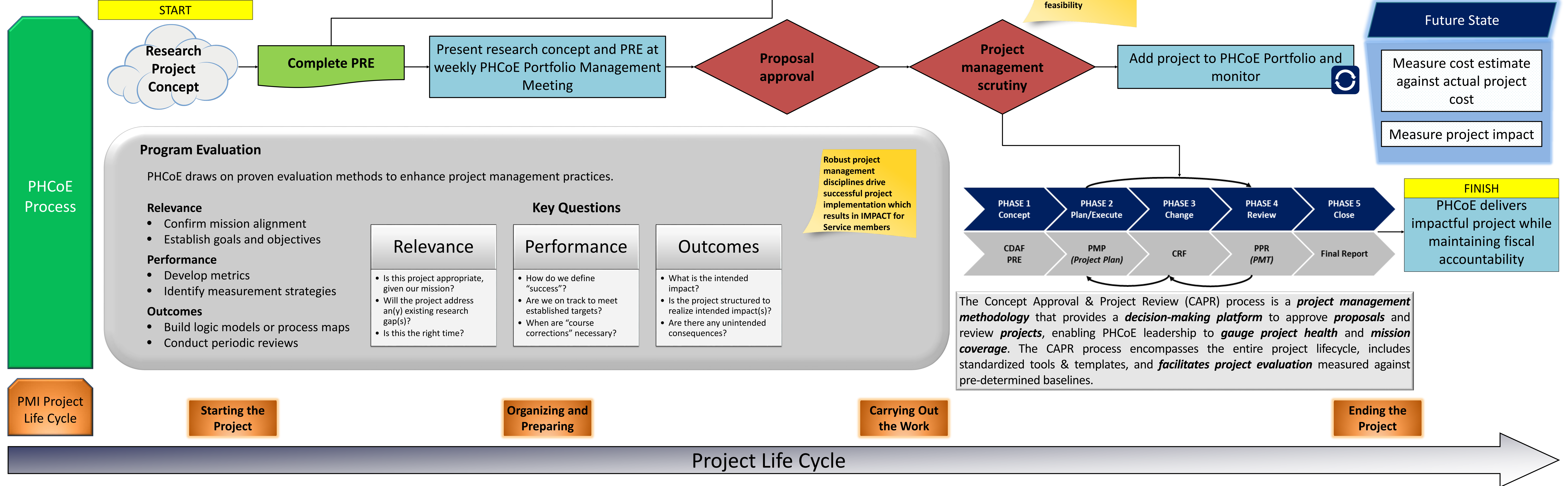
Other Direct Costs (ODCs)

- Estimates are based on order of magnitude projections of workload per week and year
- Labor costs are classified into **annual** and **total project cost**
- All costs are cataloged in the **PHCoE Portfolio**, a comprehensive portfolio management tool
- ODCs may be budgeted or non budgeted
- ODCs contribute to the overall project cost

ODCs at PHCoE include travel unrelated to a conference (separate cost), printing of products, software related to research, and any other project-related costs.

Total Costs

- Cost estimates are used to inform leadership, allocate resources, and are a key input for project feasibility
- Total cost estimates are categorized into both annual costs and project to better inform leadership



End State

Forecast budget

Assess research costs

Gauge impactful projects

Execute disciplined project management

Measure project impact

References

Department of Defense (2014). *DoD 7000.14 - R Financial Management Regulation Vol 11A: "Reimbursable Operations Policy."*

Office of Personnel Management. (2018). *Salary Table 2018-DCB*. <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2018/DCB.pdf>.

Project Management Institute. (2017). *A Guide to the Project Management Body of Knowledge (PMBOK Guide) (6th ed.)*. Newtown Square, PA: Project Management Institute, Inc.