COST MANAGEMENT PLAN

RAMKOLEK: DOCUMENT MANAGEMENT SYSTEM FOR PROJECT DOCUMENTATION PAPERS SUBMISSION

ASIA PACIFIC COLLEGE
3 HUMABON, MAKATI,
1232 KALAKHANG MAYNILA

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INTRODUCTION

The Cost Management Plan clearly defines how the costs on a project will be managed throughout the project's lifecycle. It sets the format and standards by which the project costs are measured, reported and controlled. The Cost Management Plan:

- Identifies who is responsible for managing costs
- Identifies who has the authority to approve changes to the project or its budget
- How cost performance is quantitatively measured and reported upon
- Report formats, frequency and to whom they are presented

Throughout the project's lifecycle this document will define the cost of creating a document system, ranging from workers, programs, and hardware to create a working document website:

- There are two types of web developers Front-end those that work on the interaction of the website on the user interface and the interaction of the website, and the back end those who work on the data and performance of the website, but those two roles have different categories of developers which have a different responsibility to maintain the website.
- The authority who approves the creation of the RAMKOLEK website is none other than Mr. Sean as he holds the authority to approve the changes made in the site, especially as he has connections with the higher education to approve the RAMKOLEK site to be implemented in the documentation process.
- If the cost of the project is increased the quality of the site and the performance will be significantly beneficial to the APC (Asia Pacific College).

COST MANAGEMENT APPROACH

The cost management approach will be explained in the following:

- Planning:

  To ensure that the system will be delivered on time the team will be using Work Breakdown Structure (WBS) based on Project Management Body of Knowledge (PMBOK) these cycles will help breakdown the work packages based on layers levels of system features that are a priority on creating RAMKOLEK as project lifecycles.

- Cost estimations:

  The cost of RAMKOLEK's budget will be reflected on the human resources and hardware requirements for both the creation and operation on the website, as each update on features of the website will add the cost, as the team keep on track on the project's schedule and budget on par with the project's expected outcome.

- Budgeting:

  Monitoring the budget must be closely monitored based on the levels of project's development

MEASURING PROJECT COSTS

In this section this will explain how the WBS structure works in the creation of features for the system as each will be explained in different layers of levels.

In assisting in the development of creating RAMKOLEK, Laravel provides an interesting framework that can help in creating the website from scratch by using its pre-installed PHP framework meant for high end websites, as this helps for

The PMBOK focuses on Earned Value Management for measuring and controlling a project's costs. Earned Value Management is the best tool used that provides comprehensive data that we can use in our project. Four Measurements; Schedule Variance (SV), Cost Variance (CV), Schedule Performance Index (SPI) and Cost Performance Index (CPI) will provide insight effective management without overburdening the Project Manager with Earned Value calculations and measurements.

Schedule Variance (SV) is a measurement of the schedule performance for a project. It's calculated by taking the Earned Value (EV) and subtracting the Planned Value (PV). This tells us if Ramkolek is behind or ahead of schedule. If SV is zero, then the project is perfectly on schedule. If SV is greater than zero, the project is earning more value than planned thus it's ahead of schedule. If SV is less than zero, the project is earning less value than planned thus it's behind schedule. This means that the team should identify the cause of the delay.

Cost Variance (CV) is a measurement of the budget performance for a project. CV is an indicator of how we maintain the project in Ramkolek. CV is calculated by subtracting Actual Costs (AC) from Earned Value (EV). EV is the actual value earned in the project. AC is the actual costs incurred to date, thus when we subtract what our actual costs from the EV we have a good measurement which tells us if we are above or below budget. If CV is zero, then the project is perfectly on budget. If the CV is positive, then it means we are underbudget. The project has earned more than the planned cost. If the CV is negative, it is overbudget. It has earned less than the plan.

Schedule Performance Index (SPI) measures the progress achieved against that which was planned. SPI is calculated as EV/PV. If EV is equal to PV the value of the SPI is 1. If EV is less than the PV then the value is less than 1, which means the project is behind schedule. If EV is greater than the PV the value of the SPI is greater than one, which means the project is ahead of schedule. A well performing project should have its SPI as close to 1 as possible, or maybe even a little under 1.

Cost Performance Index (CPI) measures the value of the work completed compared to the actual cost of the work completed. CPI is calculated as EV/AC. If CPI is equal to 1 the project is perfectly on budget. If the CPI is greater than 1 the project is under budget, if it's less than 1 the project is over budget.

REPORTING FORMAT

Since the stakeholders can be easily reported on it will be contacted on a weekly basis via spreadsheet, update reports in a form of a GitHub repository to show the features created on the website, and a backlog showing progress on the documentation's progress.
With each report being addressed this will be part of the cost management plan as it will give the team the information on the action necessary to address the client and the stakeholder's concerns on RAMKOLEK.

COST VARIANCE RESPONSE PROCESS

This section of the Cost Management Plan defines the control thresholds for the project and what actions will be taken if the project triggers a control threshold. As a part of the response process the Project Manager typically presents options for corrective action to the Project Sponsor who will then approve an appropriate action in order to bring the project back on budget. The Project Manager may propose to increase the budget for the project, reduce scope or quality, or some other corrective action.

The Control Thresholds for this project is a CPI or SPI of less than 0.8 or greater than 1.2. If the project reaches one of these Control Thresholds a Cost Variance Corrective Action Plan is required. The Project Manager will present the Project Sponsor with options for corrective actions within five business days from when the cost variance is first reported. Within three business days from when the Project Sponsor selects a corrective action option, the Project Manager will present the Project Sponsor with a formal Cost Variance Corrective Action Plan. The Cost Variance Corrective Action Plan will detail the actions necessary to bring the project back within budget and how the effectiveness of the actions in the plan will be measured. Upon acceptance of the Cost Variance Corrective Action Plan it will become a part of the project plan and the project will be updated to reflect the corrective actions.

COST CHANGE CONTROL PROCESS

Typically the change control process follows the project change control process. If there are special requirements for the cost change control process, they should be detailed in this section.

The cost change control process will follow the established project change request process. Approvals for project budget/cost changes must be approved by the project sponsor.

PROJECT BUDGET

The budget for this project is detailed below. Costs for this project are presented in various categories...

Labor cost			
Role	Cost per hour	Work hour	Total
Web designer	₱192	8hrs	₱1,536
Back-end developer	₱195	8hrs	₱1,560
Front-end developer	₱240	8hrs	₱2,308
Project manager	₱240	7-8hrs	₱1,680-₱1,920
Copywriter	₱156	7-8hrs	₱1,050-₱1,200
Webmaster	₱168	8hrs	₱1,176-₱1,344
Overall total:			₱9,310-₱9,868

Hardware cost	
Hardware	Cost

SPONSOR ACCEPTANCE

Approved by the Project Sponsor:

_____ Date: _____

<Project Sponsor>
<Project Sponsor Title>